

THE BROOKINGS INSTITUTION

THE FUTURE OF FREE COLLEGE

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Welcome:

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Presentation:

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The Research and Policy Landscape on Free College From Across the Country:

Moderator:

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Panelists:

BETH AKERS
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ZAKIYA SMITH ELLIS
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P R O C E E D I N G S

MR. HANSEN: Good morning. Hi, I'm Michael Hansen, senior fellow here at Brookings and the director of the Brown Center on Education Policy. It is my pleasure to welcome you to today's event on the future of free college. This event is being recorded and broadcast simultaneously on the web. I welcome those viewing remotely. And for those either in our live audience or in our remote audience who would like to take part in today's Twitter conversation, we invite you to please use #FreeCollege.

Everyone in this room, I'm sure, is convinced of the value of post-secondary education. It benefits individuals, families, and societies in a number of ways. Succeeding in the 21st century labor market is increasingly reliant on some level of college education, and the number of students enrolled in institutions of higher education here in the U.S. continues to grow year by year. Yet the topic of today's event is not the value of college, but rather it questions whether college should be made available to a broad swath of Americans at no cost.

Now is a great time for this discussion. Going to college is now more expensive than ever. Published college tuition and fees over the last three decades, even after accounting for inflation, are up more than 100 percent across all types of institutions. Consequently, students are leaving more indebted than ever before. Total student loan balances carried by students just surpassed \$1.5 trillion earlier this year. Free college programs, often referred to as promise programs, are programs offered by communities or states to eligible students to help offset the rising costs of college to students and in many cases makes going to college free. These programs have been endorsed and embraced in both red states and blue states and have been prominently endorsed by a number of politicians. These programs are thriving and at the same time evolving. What started with the Kalamazoo Promise over a decade ago has turned into a larger movement that now accounts more than 200 programs across 41 states. Yet the

promise at the heart of these promise programs has evolved as these programs have spread into different locales. And evolution will likely continue as we contemplate the future of these free college programs here in America.

Today's event brings together a distinguished panel of scholars and education leaders to discuss the state of free college in America and where it may be heading in the future. First, we'll hear from Doug Harris. Doug is a professor of economics at Tulane University and is the founding director of the Education Research Alliance for New Orleans. Doug is also a nonresident senior fellow here in the Brown Center on Education Policy. Doug has recently completed an evaluation of a promise scholarship program in Milwaukee. The results of that evaluation were just published today on the Brookings website and the executive summary was made available for you as you entered the door. And we're happy to have Doug here tell us about what he found.

Following Doug's presentation, we will move to our panel discussion and I will introduce all of the panel participants at that point.

Doug, the time is yours.

MR. HARRIS: Thanks, Mike, and thanks to Brookings for having this event and thanks for all of you for being here. I think the free college movement -- it is a movement now, it is a significant one. This is a good time to have this conversation. In my mind, this is one of the most potentially impactful policy changes, if this keeps going that we've seen in several decades in terms of social and economic policy generally. So this is a really important conversation and potential shift given what's happening in higher education.

So I'd say we're at the stage of this now where there's enough traction to have conversation about the details and how these things are going to be designed. So for a while it was this sort of general concept, general idea, free college and people can and do have different ideas about what that means. But I think now we need to start

thinking about well what could this look like, how might we do this and what are both the potential promises of this and what can go right and what are the potential pitfalls if we got it wrong in terms of how we did this. So I think that's really what the hope is I think for this event, is to think about the how and why we are doing this.

So I'm really glad to present these results. We've been working on this project for 10 years. I've never worked on a project for 10 years before. But when you study college access, that's sort of the nature of the game, right. You just start trying to help kids when they're in high school, in this case 9th graders. It just takes a long time to figure out whether that worked for college. And so I'm glad that we were able to make that happen.

So a lot of people that I want to thank here. I want to start with the funders. So there's actually a rule that I can't put the funders up on the slides here, but I do want to thank them verbally. The research on this is funded by the U.S. Department of Education Institute of Education Sciences, and the program itself was funded by the Great Lakes Higher Education Corporation & Affiliates. So very generous donations on both of their parts to make this happen.

Also, I especially want to thank my research team -- if you can stand. So a lot of people have been involved in this over the years. I've listed everybody, and many of them are here with us and many of them have been with this project since the beginning, for the whole 10 years. So it's been a lot of dedication and effort and I greatly appreciate your time on this.

So finally I want to thank Milwaukee Public Schools. This is where we carried out the project. So many dozens of people have been actively involved in this over many years and I'm the messenger in a sense.

So, as Mike said, there are several things going in the world with higher education that motivate this. I think one is, as Mike said, the rise of loan debt and the perception of unaffordability of college, a growing perception of that. A second is the

global decline in the U.S. ranking on college attainment. So we've come back up a little bit in the past several years, but we're still around 10th or so in college attainment, and I think wide recognition that we need to be at least keeping up if not doing better on that for long-term social and economic progress. And, finally, the inequities in college access by income and race are still quite vast in the U.S. and a lot of that is driven by cost. So if you think about all of those problems together, you know, there is actually one possible way you can address all of them at once, and that is to just make college cheaper. And there are a lot of different ways that you could do that.

So this is my take on the policy landscape. So there are different ways to make it cheaper, different ways to give students more funding that all overlap. And these are somewhat general concepts. So we have traditional aid programs like the Pell, we have private scholarships. This is the way things were 20 years ago, this is really the main programming that we had available. Promise scholarships then came on the scene, especially with the Kalamazoo Promise, and that's what is certainly growing right now. And then free college being the most recent; just in the last two years that idea has come up. They're all connected to each other. But they're all a little bit different from each other too, as the Venn diagram shows. So with traditional aid programs you had to run it through the FAFSA and we had this big administrative apparatus that students have to go through to get access to funding, and they don't find out about their aid until the last minute, just before they're ready to go to college. That's when they figure out what aid they're eligible for.

With Promise scholarships and free college part of the idea is to make the commitments earlier, right, so that students know at a much earlier time, not just before they are going to college, but when they're younger, in high school and middle school, elementary school, so they're getting the message that they can afford college and that college is for them. So I think that's a pretty distinctive shift. But some free college programs still rely on the FAFSA and the administrative apparatus, and so it's not

quite to that idea of having a really clear simple commitment to students. Some programs are Promise scholarships in the sense that they're place based and they're focused on particular cities and school districts. Some aren't. So the ones that aren't probably are more in the free college category of things.

So all of these things, they are kind of related to each other, a little bit different, and there are a lot of specific policy decisions that go into figuring out where we are in this map. So some of those questions are these, what's the maximum amount of aid, is there an expected family contribution, is the aid early or late, do we depend on the FAFSA and that whole application process and the aid packaging that goes on at institutions, is it First-Dollar, is it Last-Dollar, does it cover living expenses, can we say it's free based on all of the combination of those decisions. Can we call it free in some sense and, if so, what kind of free is it? Is it covering just tuition and fees or is it covering more than that?

Other decisions, which students are eligible for it, are they meeting performance merit requirements or their need requirements, which colleges are eligible, where can they use the money, is it place based in the sense that it only applies to students graduating from particular schools or attending specific colleges, are there pay back provisions if students don't end up graduating or if they end up leaving the state afterwards.

There are, you know, a lot of questions that go into this. And, again, I think the topic and the focus of this event is on how we do this, what's the right way to do it, and what are the implications of different approaches.

You'll notice one other thing popped up on the screen there in that last bit, which is debt free college, which is another common variation on the theme of free college. That sort of sits in the middle in between traditional aid programs and what you might call pure free college program. So with debt free college you still have the expected family contribution and you still have the FAFSA and you still have the

administrative apparatus there, but it's still meant to convey in a simple way that students will be able to afford college in some way.

So this is meant to be just a lay of the land. And partly I'm doing this because I want to be able to situate the program that we actually studied. So I'll get to that in a minute. So how exactly might all these programs help? They're all meant to make college cheaper, and they all do it in somewhat different ways, but how might this help? Well, the most obvious thing is well, you make it cheaper, then more people will come. You make anything cheaper and more people will come. So that's the simple way of thinking about it. But the message of our finding is -- the findings of our report are that it's more complicated than that. There are actually more mechanisms at play here than just narrowly making it cheaper for students. Some free college and Promise programs bypass that financial aid system and some don't. So that system creates a lot of uncertainty for students. It delays their knowledge about how much aid they're going to be eligible for, and it may change next year. So they have to go through the whole thing year after year. They might know what they got this year, they're not going to know whether that same amount is going to be available for them next year. And so a pure simple free college program could help bypass all of that, that simplicity and certainty that could come with it.

Second aspect of this is that Promise scholarships and free college make these early commitments. So if we make early commitments to students it could put them on very different trajectories during high school and even before that. It could get them better prepared during high school so that they're more ready to go to college. It could raise their expectations and that could then change what's going on in high school. So there's this idea of a college-going culture in high schools and the idea that there is about a set values and expectations and beliefs and activities that go along with that in high schools that may shape students' interest and ability to go to college and succeed there. So that's another mechanism. That's just not narrowly you made it

cheaper for one student, now you've changed the whole high school environment in ways that could shape their outcomes.

So I raise these last two points because it's going to turn out, when I present the findings, that these last two pieces actually are pretty important to driving the effects.

So let's talk about prior research just for a second. So when we look at programs that have been scaled up, and the places now where this has been done for a while like Kalamazoo, the results are positive. So we see Kalamazoo had a 12 percentage point increase in college enrollment, the Pittsburgh Promise, 5 percentage point effect, Knox Achieves, 3-4 percentage point effect on college enrollment. There was a review of programs done that included many of these specific ones, where you see a 3-13 percentage point effect on college enrollment. And if you look at traditional financial aid, that also has a positive effect. So the results are very consistently positively. Again, if you make it cheaper, more will come and students will be more likely to succeed.

Now, there is still the question of cost here. We need to be paying attention that as well. But I think the upshot of this slide is that this does have promise -- Promise scholarships have promise, so to speak.

All right. So results look positive so far. Let's now move on to what we found. So the program that we studied, it's called The Degree Project. This is a randomized control trial where we randomly selected half the high schools in Milwaukee and all the 9th graders back in 2011 got a \$12,000 scholarship offer. It was Last-Dollar, students could use the money at in-state colleges only. That was enough to cover all tuition and fees for a two-year degree. So that's the sense in which this is a free college program. And it could be used though at four year colleges too. So it was enough to cover full tuition and fees at a two-year college, but not enough to cover obviously at a four-year college. But the money could still be used at a four-year college if students

chose. And the amount of money was the same regardless of the choice of college.

There are performance requirements. So this is going to be a big part of the story here. So the students had to get a 2.5 GPA cumulative and attend class 90 percent of the time, also cumulative across their high school years. They had to graduate on time with a regular diploma and fill out the FAFSA. Those were the requirements. These were patterned after the Pittsburgh Promise that I mentioned earlier.

We designed this as a comprehensive experiment, meaning that it's designed to figure out how and why any effects emerge. So, again, that's the theme of this whole conversation, it's about the details and what's going on under the service. So it's not just did it have this effect, it's how and why, what was really going on. That's what we're trying to get at here. But it was designed to be focused just on that first bullet. It's designed to focus on the narrow effect of reducing the price of college for students.

So what did we find? I'm going to skip all the methodological details here and give you the bottom line. It's a randomized control trial, so we have good faith that this reflects the effects of the program. We're going to break this up into three phases. So we've got the during high school part -- because, remember, part of the idea is this is an early commitment and we want to get students on a different track during high school so they're ready for college. Then we have just after high school, the initial college enrollment decision. And then the longer-term effects, college persistence and eventually employment, and so on.

So, what did we find? So the good news, we found increased motivation for students, increased college expectations, students took more steps towards college during high school, they participated in more college access programs, they filled out the FAFSA at higher rates, they applied to more colleges as a result of this. And then longer-term, when we look at college persistence and college graduation, we are starting to see some small effects, about one percentage point, enrollment two years after high school graduation, and on graduation from two year colleges three years after high school

graduation. The bad news is we didn't see effects in other places where we expected them to arise. So one was there were no effects on GPA, there were no effects on high school attendance, or on high school graduation. And those were the performance requirements. So that's where we might have expected to see effects. We also didn't see effects at the threshold. So you most likely have expected a student who had a 2.4 GPA to just get over that threshold to a 2.5. We didn't see that either. So the incentive effect that's supposed to come with performance requirements didn't seem to arise. We also don't see an effect on initial college entry, and we did see a potential shift from four year colleges to two year colleges, which is interesting because, remember, the amount of money was the same no matter which college you chose. But what was different was that at the two-year college level it was to cover all tuition and fees, and so students could avoid debt. So we think that is why that pattern emerges.

It's a little too early to look at long-term effects. We've started to look at it. We don't see effects on employment, for example, at this point, but it's too early to make a judgment about those outcomes. So the results are mixed.

Why do we see these effects, why are the results not quite as positive as what we've seen in these other studies that have been done at scale? So we have a few different theories and some of which we were able to test. So this is what we think we're fairly certain of at this point. One is that the performance requirements kept the vast majority of students from receiving funds. Now, we knew this was likely to happen because we did a bunch of work beforehand, before we even launched the experiment, to see what the GPA was in Milwaukee beforehand. But only 21 percent of students met the 3 main requirements. So 1 in 5 students who were offered the scholarship actually had a chance to receive it if they went on to college. So the main benefit here, to the degree the benefit is students getting the money and/or having the prospect of money affect their high school behavior, there wasn't much prospect of that, right, because the vast majority of them were not going to receive the money. And they realized that early

on. So I think the performance requirements were a big part of this.

Another way of thinking about this is that when we look at the effects -- so what I've shown you so far are the effects of the offer of the scholarship. Everybody was offered in 9th grade the opportunity for these funds. When we look at the students who actually got the funds, what a researcher would call a treatment untreated effect, we actually do see pretty substantial effects. So the students who got the money benefitted from it and were more likely to go to college, stay in college, and so on. But so few students got the money that when we looked at all of the students who offered it, it just doesn't show up as an effect because most students didn't get the money.

The second main bullet there is that the small scale and temporary design of this meant that it couldn't catalyze change in high school. So if you think about what would it take to catalyze change in high schools, one, it would take all of the students in the school being motivated to change what they were doing, but this is only one cohort. It was just one cohort of ninth graders, so no more than 30 percent of students at any given school were eligible for this. And it was temporary. So if you think about it from the school's perspective, they might have been inclined to change what they were doing, offer more college access programs and so on. But there wasn't much motivation to change what they were doing because this was just one small group and this was going to go away at the end of the day.

So our intent was let's design this as a demonstration program, let's find evidence on a small scale and see what we can learn, and then decide whether it might make sense on a large scale. The message here is that for this kind of program it looks like it's very hard to actually do it on a small scale and really figure what the effect is.

So how do we know that this matters? There are a few different ways. So one is that we looked at the effects by the number of communications students got. So if you think about how these programs would work at scale, it's much more likely that at scale they're getting a lot of communications. In Kalamazoo this is on billboards.

Everybody knew about this, so they got a lot of communication about it. And in our study, when we see students who got more communications we see bigger effects. So that's the first signal that scale mattered. A second is when we just compare our results to those other scaled up programs that I mentioned earlier, that our effects are smaller than the scaled up effects. So it's a pretty clear pattern, even in the Pittsburgh Promise, which had almost exactly the same requirements, got about a substantial positive effect, but we didn't. So that's another signal that the scale of the study mattered.

So a couple of other explanations for what may have gone wrong or tamped down the effects, so to speak. One is that it lacked additional supports for students. So part of it was we didn't get this catalyzing effect on high schools. But some programs also offered additional supports, like mentoring and tutoring and so on, to students to help them meet those requirements. And that didn't happen. Part of this is about context. So in Milwaukee, the ratio of counselors to students is still about 350 to 1, which is above what's recommended, by a lot, from professional associations, and also above the state average. So there was not a lot of counselor support in these high schools to help them meet the requirements. So, again, this was designed to identify the narrow effective aid, and so additional supports were not provided and the context wasn't such that those supports could be naturally provided by the schools.

Another final piece that I think we have less evidence on, but it's worth pointing out, is that there were issues resulting from the aid structure, that same old aid structure that makes the commitments to students come late, and is complicated and burdensome for students. We see that happening here as well, that students didn't end up getting the money until October-November of the first semester in college. So that might be why we don't see an initial effect on college entry, whereas if we had just said it's free from the beginning, then they may have been less worried about that and it might have had a bigger effect.

All right, so what does all of this mean, what do we take away? So I

think the first thing is probably want to avoid performance requirements. So in addition to everything else I said, a few other remarks on this. One is we know that performance requirements are going to tend to direct the aid toward students who already have a pretty high probability of college and who have higher family incomes. So performance requirements are going to indirectly target students to more affluent students and likely have a smaller effect on college attendance. Another way to think about this is through the eyes of those who might advocate for performance requirements. So one motivation would be let's have performance requirements to that we can motivate students to work harder during high school, get them better prepared for college, and then have a positive effect that way. Well, in theory that could work, but we don't see any evidence of that. Remember, we didn't even get students who were a 2.4 to get up to a 2.5. So we don't see evidence that it's going to move the needle on factors that are strong predictors of college success.

A second possible motivation, and one that came up in the conversations about designing this, is that if you have the performance requirements you're going to target the money to students who are most likely to succeed in college and therefore prevent students from dropping out with debt. So nobody wants to induce students to drop out with debt. Sounds logical at first, but think about it this way, first of all, we know from the prior evidence that if you give students more aid they're more likely to graduate, so giving more aid is going to increase the probability of graduation, not decrease it. And also the aid itself, of course, is going to reduce the amount of debt that students have to take out. So that means under almost any plausible scenario based on our evidence, if you're going to put the performance requirements in you may decrease the number dropping out with debt slightly, but you're going to also decrease the number graduating period. So put differently, with performance requirements you're going to decrease the number of graduates more than you're going to decrease the number of dropouts with debt. So there's a big loss there in the process.

The second recommendation is to try to use free college and other aid programs to catalyze change in high schools. I think we didn't see that in our case and we think we know why we didn't see that. But I think what this suggests is that mechanisms matters. It's not just for this student this is cheaper and that's going to make them more likely to go to and succeed in college. It's that we can potentially change the culture of high schools in ways that make students better prepared. And we should be thinking about it as part of that broader mechanism.

So just to wrap up and move on to the panel conversation. So, again, prior research, when we look at scaled up programs, the results are consistently positive and substantial and convincing. So I believe those results. The effects in this experiment are more modest, and we think we know why. It's because of how it was designed and implemented. But this study is really only designed to understand how them to design these programs. It's not telling us whether it's a good idea or not, it's telling us what the best way to do it is. And that's a common theme in education research and higher education and K-12, that the specific design and implementation of free college and Promise scholarships are going to matter as much as whether you pursue that strategy or not. And so there are a lot of decisions to make ahead, a whole long list of policy decisions that have to be made. Those decisions are going to matter a lot to how we do this.

And so with that, why don't we have a broader conversation and bring up the panel and see what other progress we can make on the policy conversation.

Thank you. (Applause)

MR. HANSEN: Well, thank you, Doug; thank you for your presentation. And it's my privilege now to introduce to you the guests here on our panel. So first, here to my immediate left, your right, we have Zakiya Smith Ellis. Zakiya is New Jersey's Secretary of High Education. Prior to her employment in March of this year she has worked in positions at the Lumina Foundation and on the White House Domestic Policy

Council, where she helped develop higher education policy for President Obama. Then next down the line we have Beth Akers. Beth is a Senior Fellow at the Manhattan Institute and has conducted extensive research on student lending policy and college affordability. She is a co-author on the book "Game of Loans: The Rhetoric and Reality of Student Loan Debt" released in 2016. Next down the line we have Martha Kanter. Martha is the Executive Director of the College Promise campaign, an initiative of Civic Nation, a nonprofit focused on sensible solutions to public policy challenges. She previously served as the U.S. Under Secretary of Education from 2009 to 2013 during the Obama Administration, where she primarily focused on post secondary policy and regulation. Next we have Robert Kelchen. He is Assistant Professor of Higher Education at Seton Hall University. His research specialized in higher education finance, accountability, and evaluation. And just earlier this year he recently published a book "Higher Education Accountability". And, of course, we have Doug at the very end.

So, why don't we go to opening questions? First, to you, Zakiya. You've spent of your career developing policy ideas around college, particularly access to college. In your view, do college programs offer the best chance at promoting college access? And how does this mesh with the new free community college in New Jersey, the Innovation Challenge?

MS. ELLIS: Well, thank you for having me here and the research shared today is really interesting in addition to the -- several reports have come out recently sort of looking at free college programs. And, as Doug mentioned earlier, you know, there is a lot of different ways that you can do this. Free college in one place is not free college in another place. In New Jersey we're doing a statewide community college initiative, so it's focused on making tuition and fees free at community colleges for students making less than \$45,000, students coming from families of less than \$45,000.

And I think the interesting thing about all of these programs, which Doug kind of alluded in his kind of literature view, is that we've known for some number of years

-- people have done lots of research on college affordability and the same themes continue to come up, which is that you have to make it clear and transparent to students about what the benefit is. So the system of financial aid where you find out after you applied to college what you're eligible for and then after you've already kind of reduced your solution set or decided that college wasn't for you, only then do you find out how much you get. That is not effective, it's not the most efficient way. And anything that you can do to provide a clearer message to students and to families about what their costs and their benefits are going to be from college, the better. You see more people going to college in addition to reduced costs. So that we know.

So I think to the extent that Promise programs are a way to cut through that noise and to provide that kind of clear message to students, then they have tremendous potential. And I think we saw in the presidential election, and just in some of the past things over the last few years, how much energy is coming from just the message of free. And I think now the challenge is upon us as people involved in the higher education community, and particularly policy makers, to make good on the promises, to actually develop and design the programs in a way that's going to provide a benefit to those that need it the most. And there are pros and cons to different approaches. So we can talk a little bit more about that later, but I think to answer the question, I think there is tremendous potential in the messaging value of this to cut through that noise in a way that easy FAFSA doesn't do, in a way that -- trying to think of some of the other things that we've tried over the past years, some of which I've been involved in -- but this really has the potential to just say, hey, if you go to community college -- and I'll just use our state -- if you go to community college, you make less than this amount, you won't have to pay for tuition and fees, period, point blank. And then we can move onto other things that we know are important, like supporting student needs in broader ways.

MR. HANSEN: Excellent. Thank you, Zakiya. Beth, to you. You have voiced skepticism about New York's Excelsior scholarship, which is their free college program. You've criticized the number of design features there. As policy makers think about implementing free college regimes, are there design pitfalls that you would flag here?

MS. AKERS: Sure. So it's never fun to be the person in the room who is arguing against giving away something for free, but I will be the martyr and do that today for the sake of the panel.

So the thing I'm concerned about is that this idea of free is really sexy, right, and that's also the advantage of it. But I don't want to lose sight of using an economic lens to think about whether or not this is actually efficient spending. And I think that's what is often missing from that conversation. So it has come up in Doug's presentation, and various places as well -- I don't think it's necessarily universally neglected, but the notion that free often can become a regressive program. When there are income limits it helps, but we still do see that it's more well off students who are going to college, they're benefitting from scholarships more than the less well off students who don't go to college at all. Less well off students tend to have more aid to begin with because of the existing programs, so filling in to make things free now tends to mean that it's the more well off students again in the eligible population who are getting the additional resources. So regressivity is a concern -- maybe a necessary evil of making this happen, but something to consider.

We also don't want to forget that there are barriers to enrollment beyond tuition. So we know that it may not be just the price of paying to sit in your seat that's keeping people from going to college. These scholarships aren't paying to put gas in the car or food on the table for the families of these students, and maybe that's a better place to spend some of these resources than supporting tuition expenditures for families of students who would have gone to college anyway.

And then the last I'll say, and we can talk about this more in the discussion, you know, with these things in mind, it's sort of trying to create a policy that threads the needle. So we're trying to both maintain the sexy idea of free because that creates that momentum, the cultural shift around going to college, but also not create more complexity. And so I think that the ultimate calculation of what's an efficient policy is difficult because we can't strictly use this economic lens that says where is the most efficient spending for that next dollar. It needs to be a balance between that and this immeasurable concept of how to create this momentum of college going for students and really have a movement here.

MR. HANSEN: Great. Thank you, Beth. Next to Martha. Martha your prior work in the federal government has provided you I'm sure a unique perspective on how these college programs might work. What can the role of the federal government be here and how might it work on some kind of federal level, or should this be better off left to states? And how do you see that moving forward?

MS. KANTER: Well, what's happened in the last just three years since we started the college Promise campaign is that when I was at NYU recovering from five years in government -- almost five years -- I looked at student savings, college affordability, financial aid, sort of the whole college affordability bucket, and I looked at incentives and interventions and I looked at Promise programs at that time. So you heard a lot about Kalamazoo. It's a whole community approach, and I think that's one of the benefits and something that we really need to think about at the federal level. You know, how do you engage the entire community in making change and really focus on the students that are highest need, because if they do that then the community is going to be safer, students will have more equitable opportunities for good jobs, they'll be ready, more prepared, and they'll also -- you know, in the big picture of government we do -- the reliance on subsidies -- because if you look at a lot of the research over time, students that graduate from college are not only delivering more dollars through their taxes and

more dollars for their incomes, but they're also happier and healthier. And we don't talk about the other kind of social benefits coupled with the economic benefits. Most of the conversation and policy is about the economy and is this going to change the economic future of the country because we'll have a more prosperous society.

But, frankly, when I think about the opportunities for the federal government and I look at in California, having spent 35 years there, the money that we put into the prison system, if we had put it into prevention, every one of those gorgeous prisons could have been a high school, an elementary school, a university. But instead, you know, this is what we've learned over the last 30 years. So I think government can do things that they have already done better. So one thing that government can do -- and this is my pipe dream I guess -- for the Social Security Administration every one of us gets a letter and we see what we've earned and what we're going to earn after we "retire". Why can't we do that for Pell Grants? I know Senator Alexander tried to do the two question Pell, but when you think of the complexity of filling out the form and getting the income too late to make the decisions. The rewards from the campuses about how much aid you're going to get, you get that in the spring. If you look at especially the lower half of our student population, our family population, your income isn't going to change dramatically. If it does I think we've got lawyers that are smart enough to put in language in simplifying that Pell grant so that we can get back to what Doug says, you know the performance requirements are getting in the way. The idea of a 2.5 for a student that's 2.0 in that example that Doug gave, can't we do something, can't we do an intervention, can't we do better counseling, can't we figure out -- especially with how smart we've become over the last two-three decades -- how to give those interventions to students when they most need them instead of just saying they're not eligible.

So I think Promise programs have a lot to learn. I'm thrilled that the conversation is about good policy, good design. I think the government can incentivize the best of what's happening locally and statewide. So for the Promise programs -- when

I looked at this at NYU at about 53, there are over 200 now -- they're all different. There's no perfect Promise. And I think that's the opportunity for the design features to say can we do something like Governor Haslam has done in Tennessee, actually create an endowment and have the money earning some interest to go back to serve more students, can we do something like Kalamazoo with a whole community approach, can we do something like Detroit where the Chamber of Commerce put a stake in the ground and they're lading the Detroit Promise and they're not going to stop until they look at the kinds of designs that will be better.

So those are just a few of the things and I think the government can incentivize that certainly by providing incentive funding, matching funds, simplification, and a host of other things that I hope we'll see in my lifetime.

MR. HANSEN: Excellent. Thank you, Martha. Now, to Robert. One of the common critiques of making college free for students is that it could potentially lower quality as nonpaying customers have less leverage to hold their institutions accountable.

From your perspective, how might free college programs change how policy makers and the public think about holding our colleges to account for their funds that they're receiving?

MR. KELCHEN: Sure. I'm not as concerned about the idea that students don't have skin in the game if they're not directly paying tuition, first because if you're a community college student right now and you're low to middle income, you're Pell Grant probably already covers your tuition, unless you're in a very expensive tuition state. That means that we already have a lot of students who "don't have skin in the game", but in reality they have quite a bit of skin in the game, that they may still have to cover fees, they have to pay for their books, and they have to go through the often emotional pain and suffering of sitting through college classes. (Laughter)

MR. HANSEN: Spoken like a college professor.

MR. KELCHEN: Yeah, and I sat through a couple of your classes, Doug. (Laughter) I've been waiting 10 years for that one.

It is important to note that students have substantial skin in the game even if they're not directly paying tuition. When a student goes and complains to a college, complains to the legislature, they're not usually looking up that student's file and seeing, oh, she's directly paying tuition or not. It's also worth noting that most colleges in this country, particularly public colleges, are driven largely by enrollment and that they're not rejecting large numbers of students. Community colleges in particular often are funded based on enrollment. So even if the student is not directly paying tuition the college is still gaining that tuition revenue from whichever source they're getting it from and they're getting some money from the state government to help fund their operations.

Now, in terms of educational quality, there are some concerns that if these programs are effective and they increase enrollment, there are these concerns that quality may suffer because colleges may get overloaded. And I think that's a reasonable concern to think about. And it's also important to note, for many of these free college programs, just like state financial aid programs, they have limited budgets. Tennessee is an outlier in that they have stable endowment support. Otherwise state free college programs tend to be like state financial aid programs, they have a budget and they try to figure a way to accommodate students within that budget, and it may just be first come, first served, which has significant implications for equity as well.

And another piece on the state funding side that's worth noting, the growth of state performance funding may have some concerns for college Promise programs and free college programs that are designed to incentivize low income students. Because if the state funding formula is not set up in a way to encourage colleges to enroll and help lower income students succeed, these colleges may not want to recruit students if that hurts them on the funding end, even if students are not paying tuition.

MR. HANSEN: Excellent. Thank you, Robert. And now to Doug. You have a chance to do a rebuttal to Robert's zinger. (Laughter)

MR. HARRIS: You can count on it.

MR. HANSEN: But, Doug, were you surprised by the results of this new study? It has a 10 year incubation and at the end of it perhaps less than stellar outcomes. But what did you learn?

MR. HARRIS: So, first a rebuttal. So you've done really well for yourself. (Laughter)

MR. KELCHEN: I've learned from great people.

MR. HARRIS: So suffering was part of the process.

MR. KELCHEN: Yes.

MR. HARRIS: So on being surprised, whether I'm surprised or not. Yes and no. Going into it I think we thought we would see some effect on enrollment and I think especially on graduation. And the graduation rates are starting to emerge. I think going back to the beginning, we didn't anticipate how long it would take for students to get the money. So we thought that they would probably get official word and it would show up in the aid package in the summer. That was the original plan and things didn't go as expected. And that part would have been hard to anticipate. You know, we knew that the performance requirements were going to keep the effect down somewhat. You know, I didn't mention it, but the average GPA in Milwaukee was a 1.8 in 9th grade. So the vast majority of the students, they weren't near that bar, they were far below that bar and we knew it was going to be hard. We knew the percentages from prior cohorts was pretty low meeting the requirements. But there was some insistence on having a requirement, and so we went along with that and it did keep down the effect somewhat.

The other thing we didn't know at the time -- so a lot of this is hindsight is 20/20 -- we didn't know 10 years ago what the effect in Pittsburgh was going to be. They were just getting started at that point, there was no evidence on that. So I think, you

know, now that we have a chance to compare our results to others it actually makes more sense I think what we're seeing. So Pittsburgh, again, it was a five percentage point effect on enrollment. So we knew it would be smaller than that, and in retrospect it would be smaller. We just didn't know how much and what additional things might go wrong in the process.

Again, the results were not terrible, right, so there are positive effects. And so I think that it's something to build on. And part of the goal here was to just understand how and why. We knew the effect would be smaller, but it was still worth doing the study to figure out what effects these design features would have.

MR. HANSEN: Okay. Excellent. Thank you, Doug. So, now I'm going to just put a question to the general panel and for those who want to weigh in, please feel free to.

If you had a certain amount of money to spend on making college affordable, but it wasn't enough money to make college free for everyone, how would you target the funds? Would you go for first two years, would you go for low-income students, would you go for performance thresholds, like minimum GPA, et cetera?

Anybody who wants to weigh in on how to best target the funds here?

MS. ELLIS: I'll make a comment because we just developed a program. I mean we were looking to do -- I mean the Governor had a commitment and made a statement to people that voted for him about free community college and we clearly had a perspective on that. But I will say you don't have -- we didn't have unlimited funds. It wasn't like -- so sometimes it's a little frustrating because as policy walk and, you know, somebody that studied the research, you absolutely know that the best possible thing would be to make a guaranteed financial commitment to students, especially low income students, that they will not have to pay for tuition and fees. Just for context, median family income in New Jersey is well over \$70,000, so when you say a program for people under \$45,000 -- I went to college in Nashville, Tennessee, that might be median income

in Nashville, Tennessee, it might be middle income in Nashville, Tennessee. It is not middle income almost anywhere in the State of New Jersey. So \$45,000, when I went to the legislature, people were like who's going to get that, who makes \$45,000? I mean it was like, you know, aren't they already getting it for free. And when we looked at the data, actually if they were already getting it for free the program wouldn't cost any money. So if it was the case that everybody who makes under that amount already is covered by a Pell, already is covered by -- you know, we add one of the most generous need-based financial aid programs in the nation and we get a lot of praise for that. We spend \$400 million a year on additional student aid in addition to Pell. But even with all of that investment, we have not figure out how to knit the programs together in a way to make a clear statement to some of the lowest income people in our state that you don't have to pay for community college, which is supposed to be open access. There is one serving every county in the state. I mean, that is crazy to me.

So -- sorry, that was my little rant that I have on just, you know, how we - - but the implementation being really, really important and some of these critiques and concerns, which I think are valid, even though we have all of these commitments already, we're not knitting them in a way together to even tell people that we think should already be getting it for free that they can go for free. So that is frustrating and we should fix that if we can.

Second point, we don't have unlimited funds. Like I would love to do this for everyone or maybe everyone that we think deserves it, and we should figure out who we think deserves it and who we think doesn't deserve it and who really is low income, or whatever. Then also have a food pantry and make sure that we have housing for everyone and make sure -- but I do want us to not like let the perfect be the enemy of the good in this case. So we had \$50 million that we were willing to commit, which is I would say more than most other states, definitely more than other states that are similarly sized, were willing to commit to their initial Promise programs. We ended up getting \$25 million,

and with that \$25 million, in terms of all of the tradeoffs, so do you cut people out by GPA, do you cut people out by saying that it can only be recent high school graduates. Those are the policy decisions that you have to weigh when you have limited fund, some way you have to limit the number of people, or you can just say you're going to do something else.

So I'm a little bit cheating because we were within the confines of we're trying to figure out how to develop a free college program and having to deal with the different things. And where ended up I'm very proud of. We have something that serves both full-time and part-time students, both traditional age students and adults, many of whom would really benefit. We have so many hundreds of thousands of people in the State of New Jersey but never finished. They demonstrated at some point that they thought post-secondary education was for them, but for one reason or another, they were not able to complete. They're working adults, they're likely within that income threshold, because we know if you don't have a post-secondary education, you're not likely to make too much as an adult.

So, in any case, we were able to get in on kind of all of those different -- we don't have an explicit GPA requirement, which was something that, you know, was discussed in the legislature at least. And the way we mostly did it was by having this income threshold.

Now, the other kind of big, big, big caveat was that was what the Governor proposed and then there's the reality of the sausage making and going through the legislature. And so after that process though the legislature gave us half of what we asked for. And so now we're doing a pilot program where we asked the community colleges to apply. We're still going to have the same parameters and we'll be able to serve fewer people. But hopefully after kind of being able to be more thoughtful and through a pilot we'll be able to refine it more and maybe even make the case better next year to get the fuller request to actually do what we initially sought out to do.

MR. HANSEN: Okay. Thanks, Zakiya. Beth, you want to pile on?

MS. AKERS: So, just you mentioned the possibility of shifting some of the grant funding towards the beginning of the student's academic career. And I actually think that's worth talking a lot more about. If we think about what's happening and where are the problems in student debt, we see that there are a lot of students who are starting college, dropping out pretty quickly, ending up with a pretty small loan balance, but then defaulting on that debt. So it seems that starting college is a pretty risky activity.

So I wouldn't be opposed to taking those resources that are maybe now bailing out these defaulted students and putting them into grants and giving people a chance to explore the option of college, maybe not choose to continue, but not have these problematic debts to take with them as they leave.

MR. HANSEN: Great suggestion. Doug, you mentioned in the slide that there are other perhaps better alternatives for free college programs. I'm curious to have you explain a little bit what you think they might be in the context of this question. If you don't have unlimited funds, how do you best target college going behavior and persistence in those kind of outcomes?

MR. HARRIS: That's a great question. I think there is probably pretty good agreement that we want to target the funds to disadvantaged students generally. And I think the challenge is that since you've got any additional program on top of the existing aid structure is going to tend to target it toward higher income, just because of the way the existing aid structure is set up. So I think coming back to the performance requirements, that's essentially flipping it. Then you're actually targeting it to higher income directly, and so, again, I think that's something to avoid. But then there's a question of whether you set a requirement or set a threshold like families below a certain income level and this is who it applies to. So that may be one compromise position that saves a lot of money, so then you're not giving a high proportion of the funds to higher

income families. But still keeps it simple enough that the lower and middle class families understand that they're going to have those funds eligible, be eligible to use them.

The other consideration is two versus four-year college. And I think that one is a lot trickier. I think in some places there is a heavy need, let's say, for middle skill jobs and the middle skill jobs tend to be workers who need two year degrees or certificate type positions. And those places -- you know, targeting it to two year colleges probably makes more sense. But that may not be the same. And this is where I again think you've got to think about the diversity of places and how one program is going to have different effects in different places. So it becomes hard to generalize on a national scale, like just say that we should only be doing this in two year colleges or we should only be doing it in four year colleges, because the circumstances are different in different places.

MR. HANSEN: One of the effects that you found in your evaluation, and also has been seen in other research, is that some of these free college programs are shifting the margin of college choice, which is where you are going to enroll in school to target those eligible institutions, and not necessarily college access. So I think that's an important dimension.

And so how do we think -- given that some of the institutions that are being targeted are community colleges, and they are not necessarily known for having great success in the labor market, are we unintentionally siphoning kids who may perform well in a four year university and get a college degree, are we actually sort of putting them into programs that may not help them achieve their highest potential?

MR. HARRIS: I'm not sure I would say that students who go to community colleges don't succeed in the labor market. There's certainly a smaller return than to a four-year degree, but it's still a positive.

I mean I think the issue that I thought you were going to bring up was the graduation rates being fairly low in community colleges, which is more of an issue. And I

think that's relevant to the targeting too. So I think we have to think about whether in the same sense that these programs could be used to catalyze high schools and to change what's going on in the high schools, I think maybe we should be thinking about ways in which the programs can actually get the graduation rates up and change what's going on in colleges themselves to improve graduations, so to make it an even more worthwhile investment to the states that are doing it.

MS. KANTER: And I would just add on to that, you know, that when you look across the country at these more than 200 programs you see different kinds of partnerships now evolving with two and four year institutions. So I think choice is a huge issue. I think Ed Trust has written a really good report on eliciting the kinds of questions we should be asking. If you had enough money you'd certainly want to make at least the first year affordable. Maybe not fully free, maybe it's free at the community college and you add on non-college cost dollars to that. We call that Pell Plus, or Last-Dollar Plus, not just Last-Dollar, which is just covering tuition and fees. And then a low income student turns around and can't afford books, which is why if you look at the Dallas County Promise, which had a 40 percent enrollment increase to college this fall -- now, that will probably level off some, but it's an amazing messaging treatment to get more students in that didn't think it was possible. But underneath that, they've got a food bank at every campus, they also have transportation, universal transportation in a partnership with the mayor, and they also have at least three -- I think it might be four now -- universities that have partnered with them to draw in students that could accelerate faster from the community college and also guarantee funding streams so it will be more affordable when they go onto a four year.

So there are all kinds of relationships that are starting with these Promise programs that I think also is really ripe for analysis because I think college is not what it used to be. We've got to have a mindset in this country, it is not the full four years. Seven percent of the country, of undergraduates, go to the high performing Ivy and the

four year liberal arts. More than 80 percent go to the two- and four-year state university publics. And so if we want to serve the bulk of Americans, I think we need to target out dollars and really identify the highest performing in those. You know, I can point to -- you know, Long Beach State, for example, they've had the Long Beach Promise for over 10 years. They've got five times the completion rate in freshmen composition in the community college than they had 10 years ago. So there are outcomes like that, that I think we're not paying enough attention to that would really -- if I had limited dollars, I would be putting those into trying to really understand what were the features and design that are creating those kinds of changes, whether it's two or four year. And I think everyone's goal is ultimate choice, for students to go to a good school.

So if we can get to that point, I think we'll be doing well.

MR. KELCHEN: And one thing that's worth noting is if we go to more free community college, this could significantly upend the structure of financing higher education, because the way that colleges work -- and colleges often don't like to talk about this -- is that the first and second year classes at four year colleges often help to subsidize classes for juniors and seniors. So if community colleges take more of those first and second year students, from the state perspective that could be a good thing because community colleges tend to have lower cost of education, and in some cases, local taxpayers also help. But that really pressures four-year colleges in terms of keeping their budget model. And if they're losing the first and second years students, not all community college students successfully transfer, so they may not get as many third and fourth year students back, or they really need to work on developing some of the more robust transfer processes.

MS. ELLIS: Can I just say about the kind of nuances of what may happen if this were to be the case, and really about the -- you didn't use the term, but I think concern about potentially under matching, sending students to colleges where they're less likely to be successful. We just know as a fact, you know, same students to

go -- if your intention is to get a four-year degree, then the likelihood of that is often higher if you start at a college that offers that credential.

Having said that, many four-year degrees are generally very open access. But the concern that I do have, and I've voiced concerns in the past about ways that you could design free college to be progressive -- and I will say again, I think we have one of the most progressive, if not the most progressive, free community college programs in the nation -- or free college program in the nation. You could wind up like countries in South America or Europe that have tests in middle school and high school that determine if you're college ready. You don't pass the test, you can't go to college. If you do pass the test you can go to college for free. Some of the greatest colleges -- you could make University of Virginia free, you could make University of Michigan free. Now, most public colleges are not that selective, but I guess the point being there are models in other countries that sometimes we like to point to as if that is a very progressive ideal. And I don't think that making some of these colleges that have low numbers of students of color, low numbers of Pell Grant students, and high admissions requirements, completely free would be progressive at all. I think you would actually be redistributing wealth.

And in many South American countries -- and I know Beth has written about this -- the only place that you can go if you're a lower income person or didn't go to one of the best high schools in the nation, even though your nation's public colleges are free, the only place that you can get in are private for profit colleges that charge you a lot of money. And so I just think that we need to be careful also.

So the reason that I'm a fan of free community colleges is because by nature they're open access. There's one in every community, people are likely to go to college close to home. And I think sometimes -- but there is a balance there. I don't want to cut off options for students. Again, if we had unlimited funds we would want to do this in as many places as possible. But I also just think we have to be careful about how

we design programs and what are ultimate end goal is. If we had, you know, every public four year flagship tuition free, would we be happier than if we had community colleges tuition free? And those are real conversations and real discussions that we need to think through. But I just want us to be careful in thinking about the other counter effects of that.

So I stay pretty grounded in that community college especially can be a good entry point. And I will just say again and again, that it's not just the traditional age high school student, and that some of the most beneficial effects of these kinds of programs could be the returning adult who really isn't going to probably enroll in a four year residential -- even if it means moving where they are, right, that's not the experience they can afford for a number of reasons, or are looking for.

I will make a plug for -- we have a four year college in New Jersey that does enroll a lot of adults called Thomas Edison State University through on line programs. That would be kind of an exception to what is generally a trend about if a returning adult was trying to return, where would they go.

MR. HANSEN: So you mentioned private nonprofits -- or, excuse me, private for profits. Let me say it that. You were discussing them in talking about these international countries, but there are potentially competitive effects that may be happening here. If we are sending more kids to public schools, should we be worried about backlash from for profits, like Phoenix University, Strayer University, those kinds of places? And is this a bad thing?

MR. KELCHEN: I wouldn't worry as much about the backlash from the for profits, I would worry much more about the backlash from the less selective private nonprofits that are tuition driven and trying just to put people in seats. Those are the ones that are politically connected and will make a lot of noise until they get something. As in the Excelsior example, they get something small in the private nonprofit sector. They're still not happy and they'd like more.

MS. KANTER: I heard from some of the for profits that they're going after upper division and graduate programs now, that they'll let the more universally based two years go. So I think the for profit institutions will go for where the profits can be most recouped or developed.

You might want to weigh in on this, Beth.

MS. AKERS: I think there's another point that there is actually a growing -- I guess I'll call it a higher education industry outside of the regulated marketplace for higher education. So we're seeing these boot camps come about and these college alternatives that are actually operating entirely outside of the financial aid system. And so I think that there's a sense that they're happy to exist there. And there's a lot of innovation happening there that's unregulated, there's no competition because the business model is really different, both on the organizational side, but also on the individual student side.

So, yeah, I mean certainly it's going to (inaudible) out what's happening in the private for profit and nonprofit sector, but I think there's still room totally outside of this system to be seeing lots of interesting innovation happening.

MS. ELLIS: I think Tennessee saw a shift from its for profit sector to community colleges when they did their college Promise program. And that was one of the underlying points in their data.

MR. HANSEN: Okay. Excellent.

MS. KANTER: And also saw a debt reduction. You know, the first data I saw from the first cohort in Tennessee was a 17 percent reduction in student debt. So I mean there are those benefits too that we don't talk about and we've got to have a system where we talk about, you know, what Beth was saying and Zakiya. I mean these different benefits that are economic, but also the social benefits. I really think we need to have a better conversation about that.

MS. AKERS: I saw today, just with the Institute for College Access and Success, which does annual reports on student debt and state-by-state reports, that Tennessee also saw a six percent reduction in student loan debt, which is just unheard of. You usually kind of go for oh, who had the lowest increase or the lowest percentage increase in student loan debt. And so even though as a whole, as a nation, we're kind of up a little bit, Tennessee had a reduction in their average student loan debt, which is kind of interesting.

MR. HANSEN: Okay. Well, speaking of student loan debt, Beth, you've written a book on student loan debt, rhetoric versus reality there. If a lot of the conversation or the population beliefs about student debt are actually wrong, does that change some of the calculus about whether free college programs are actually necessary?

MS. AKERS: Sure. So I think the rhetoric around student debt is that the first dollar borrowing is a bad thing. So all debt is bad debt and we necessarily have this universal problem of debt crushing our students and creating bad outcomes for them on the back end. What that book does is summarizes a lot of research that looks more empirically at what's happening with students when they're borrowing, but also when they're in repayment. It identifies that the sky is falling narrative is maybe somewhat inappropriate for a lot of students, and that a lot of students are borrowing, enrolling in a degree program, getting through that degree program, getting the financial and social benefits of having that degree, and employment, and having economic welfare afterwards, and making affordable payments on the back end.

So the takeaway message from that is that, look, it's not a terrible thing if some people are paying for college, right, if that system is working for them. We know that system is not working for everyone. Not everyone is getting a rate of return that makes this an affordable proposition. We don't always know on the front end who those students are going to be. And so I think it's entirely reasonable to think about where are

appropriate subsidies in the system given that we know there are some students who are entering with a very high likelihood of having a good outcome. But also keeping in mind the reality that for some students to pay is a fine thing, and that's going to be the reality when we think about the fact that, in practical terms, we have limited funds to spend on supporting student enrollment in the first place.

MS. ELLIS: And, gain, I would say if you look at that data on who enrolls and then has low chances of -- or ends up not completing it, the highest rate is the lower income students, the ones that we don't want to take on the debt. So I will come back to it, if you are able to target within free or kind of narrow within free -- and I will say there are people, probably not on this panel -- but maybe Martha would -- I mean there are people that argue that when you target things to low income students, even within a form of free, that you're kind of diluting the message and that more universal access would lead to kind of middle income people getting these benefits, kind of leads to more people supporting community colleges or supporting the system of public higher education, which would lead to more support, and that universal programs rather than targeted programs end up getting more political support in the end. I'm not necessarily making that argument right now, because that's not the way our program is set up, but I think that's an important perspective to raise.

I think they would argue like social security I guess being the marquee benefit that is a universal program in nature that people don't necessarily go after in the same way for being regressive even though, you know, if you make \$1 million a year you still get a social security check when you retire. It won't be for your \$1 million, but you do still get a social security check. And people don't seem to have angst about that. Or maybe they do, I don't know, but I haven't heard the angst about that.

MS. KANTER: Yes. I don't think people understand what federal benefits are. I also think in the student debt conversation we have ignored credit card debt. And so we have focused so much of the public narrative on college debt with

federal funds. I mean, personally, I think we have too many federal funds, the interest rates are uneven. You know, could I imagine one scale, one sliding scale, and based on income. This is what you could get and this is how much you're eligible for and this is how your Pell Grant is tied in, and so on. But it is very complicated and, unfortunately, there are too many disincentives in the long program that make the debt really escalate. So if you go to a bad school and you don't get a benefit and it costs you \$30,000 or \$20,000 a year, you're sunk, because you don't get that job, you can't get out of paying back, and then you go into default and we've got the spiral down.

But, you know, as Beth said, I mean the majority of people are paying on their loans and I think we forget that also. So I think it's all about what Doug said at the beginning, how do we design these features, especially student aid, to be integrated. And also, you know, a lot of the adult Promise programs and the work that (inaudible) is investing in, are braiding state and federal resources together. And that I think is a great opportunity for us to figure out what can we do with the labor funds tied to the education funds. Some states are actually tracking the data as well so that you can look at economic outcomes in the labor market, which are more effective and re-incentivize the entire community and the entire state to say yes, we have to do more of this because these are the design features that are really going to produce the outcomes that we need for this country.

MR. HANSEN: Doug, you want to comment?

MR. HARRIS: So I think that's an important point you're making, Martha, because the federal-state partnership then allows for that differentiation, like for states to design it in ways that make the most sense in their circumstances.

MR. KELCHEN: And one concern to watch out for with tuition free college proposals is that a number of colleges are hesitant to encourage or allow students to borrow for living expenses because they control tuition, they don't really control living expenses as much as they just set an estimate. So the concern is that

students default on their debt for living expenses not tuition and colleges may want to cut back on even allowing students to borrow, which could have unintended consequences as well. So if we move more toward tuition free, I think it's worth keeping any eye on whether colleges continue to allow students to get loans for living expenses.

MS. AKERS: To circle back to the question that was posed. Again, one of the themes, the takeaway from that collection of work about debt is really that it's not so much the price that's the problem, even though the free college discussion is entirely about price, it's the risk that's the problem. So if we had a degree program that cost \$100,000 but it guaranteed students the opportunities that we all think about when we think about college, with 100 percent guaranty, we couldn't care how much it cost. Because in that instance, in that model that we often think and talk about, the human capital model, it's a great return, it's a good investment, and we could think of it that way. But the problem is that's not the case. Even if on average those things are true, we want to think about what is the variation. And the lesson for that, when we think about the design of these programs and targeting the funds, is where is the risk the greatest.

MR. HANSEN: Beth, do you want to talk about income contingent loans? It seems right along --

MS. AKERS: I can, sure. (Laughter)

MR. HANSEN: Very relevant to the point about risk, right?

MS. AKERS: Yeah, sure. The income based repayment or the --

MR. HANSEN: Yeah, yeah.

MS. AKERS: Yeah, sure. So I mean there's an existing program -- sorry income share agreements or income based --

QUESTIONER: Income contingent.

MS. AKERS: Income contingent -- so the federal programs. So right now we have some mechanisms in place that I think are great in theory, less great in practice, which essentially are designed to deal with the risks that these students are

facing. So when students graduate they can enroll, optionally enroll through some unfortunately complicated paperwork, a loan repayment program that limits their monthly payments to something that is based on what their income is at that time. So students in theory are not going to be required to make payments in any given month or year that are unaffordable relative to their actual earnings. So this is a great job actually of ensuring that if people don't see those returns that we think about in the perfect model, that they are protected.

Unfortunately, even though this system sounds perfect to an economist like me who can kind of think through what the incentives are on the front end and understand the ultimate incentives for borrowing, college going, and things like that, it turns out that people don't like complexity and don't always succeed in interacting with the system in a perfect way. So despite the fact that we have these safety nets we still see people defaulting, people who probably could have been enrolled in these programs and benefitted from these programs. And so it's a back end safety net that's really an alternative regime to the one we're thinking about. And the calculus on whether or not that's better or worse than putting more money up front I think is really going to be a judgment call because there's not math that answers that question of whether or not eliminating the complexity of this sort of system will be more efficient in the long run because of the momentum and the cultural change that happens with it.

MS. ELLIS: Can I just make a plug for people who want to work in policy and in federal policy. Like this is the kind of thing that we work at the Department of Education. So I would argue part of the reason that we haven't still seen the impacts from this kind of program is not that -- yes, people don't like complexity, but also the implementation of the program and the way our government and the servicers let people know. So when I started in 2009 we were doing nothing, literally nothing, to publicize the fact that income based repayment exist at the federal level. There was an independent

organization who had a website called IBRinfo.org, which was the main place that you could find information about income-based repayment.

And one of my first tasks that Bob Shireman gave me was to talk to federal student aid to figure out we could get a PDF that we could put on the federal student aid website that explained what income based repayment is. I remember going to conferences of people that were in law school saying, hey, did you know that if you graduate from law school and you have these loans, you don't have to go to a big firm, you can get forgiveness after 10 years. And people were like, this is the first time I'm ever hearing -- this was like 2009 -- they were like, this is the first time I'm ever hearing about this. What are you talking about, where can I find more information. I was like, well, we're still trying to develop the website that will have information about this.

But so, I mean, having -- this goes back to our financial aid system and all these things -- the way you implement these programs, if you have free -- I mean even the program that the -- the Milwaukee program that Doug evaluated, you know, about the information effect and telling people about it. I mean the free college stuff wasn't as big now as it was when they initially started that program. But we're seeing this in New Jersey and starting to think about how would you in a community tell people about this opportunity. That was one of the requirements that we asked people to respond to as part of the pilot. You know, how would you do that outreach, how would you reach out to students.

So anyone that wants to work in policy and think about these questions, sometimes the reason why things work or don't work is really kind of what's the behind the scenes goings on there and what's -- right now we have a continued conversation with servicers and are they telling people when they call and say hey, my loan payments are not affordable, I heard about this thing, what are they putting people into, how are they explaining what goes on. And that has a lot to do with whether or not at the end of the day we see an impact. I know we saw some of the first data on public service loan

forgiveness. People that are getting their loans forgiven now would have been enrolling in the program or thinking about the program at that time when we had no information on line. So it does not surprise me that something like 70 people are getting loan forgiveness in 2018, because you would have had to start taking out loans in 2007 for you to begin being available, and we were essentially not doing anything, and then only recently have there been much more kind of take up of and understanding of the messaging.

So, just anyone that wants to work in policy, this is like the hard work of the behind the scenes, and we need you to be involved in that.

MS. KANTER: But also the policy folks don't really think too well about widespread communications. And I think if we're learning anything from Doug's results, it's how do you communicate this and to who and to which families, which students, and which practitioners in the schools, because a lot of times we'll glaze over with all this data and they won't know the basis. So is there some role for government and states to just simplify so that people can implement -- if it's a mentor for every student in the country, let's do that, let's do a call to arms in every community and do that because we've got the research that says this matters. And can we really look at these different features, whether it's taking the funding in a Promise program and putting it into an endowment or, you know, taking an example from Tennessee or from -- now Rice University yesterday is going to go up to \$135,000 per family, if you get in. If you get in. So they're part of that small seven percent. But I think people are saying there are more talented students that could really drive the economy forward than are eligible or can get in. And part of it is the complexities that I think you both are talking about.

The other last point I want to make before we go open it up, I do think we have ignored as a country the fact that, for example, in community colleges more than two-thirds of students are working already and they are paying taxes into the base, into the tax base. And for the state universities I think it's more than half. So we've got

people with skin in the game. You want to talk skin in the game, go backwards and see how many years these students have been working to get into where they are. And I think we ignored that opportunity to have a working country that understands you're going to have to get more education over time. And the adults that are coming back, as Zakiya said, are just a critical opportunity for us in addition to the youth to college, which are the more traditional age students.

MR. HANSEN: Okay. Beth, did you want to weigh in?

MS. AKERS: Yes. Actually, I wanted to thank both of you for expanding on my comments a little bit in that, you know, I kind of pin it on complexity and say income-based repayment doesn't work because it's too complex. It's not too complex, people are smart, right, and people can utilize these systems. Implementation has been a problem for this program. I don't want to understate my support for this type of system, actually, just to reiterate the point that instead of talking here about how free college is a sexy idea and it's a movement, we were talking about college insurance is sexy and then that's a movement, I would be more excited. (Laughter) I actually think that's the way to go, you know, not understate that point.

But, yeah, it needs to be done better than we're doing it today.

MR. HANSEN: Okay, thank you.

MS. KANTER: Yeah, I don't think it's either/or. I mean that's the thing.

MS. AKERS: Yeah. Right.

MR. HANSEN: Thank you. So let's just do one last question and maybe everybody can weigh in and then we'll open it up to audience Q & A.

My question is, let's look to the future and where might free college be heading. Is there likely to be some kind of larger federal program in five to ten years, is there a political compromise that might be necessary in order to make this happen, what about the rise of artificial intelligence, machine learning, is that something that we need to

be thinking about in the free college equation. Where does this move forward as we try to look in the future?

I hear crickets.

MS. AKERS: I'll jump in. So I'm actually excited about the way it is moving forward, which is in the states. Because I think that gives us, you know, as we're talking about it today, an opportunity to look at the evidence about how different types of designs are working. And if it were ever the case where we did wish to, or had the political desire to implement a federal program we would have a lot of evidence about how to do that effectively.

So that's where I think the movement is politically today and I think that's a good thing.

MR. HANSEN: Thanks, Beth.

MS. KANTER: From an audience standpoint of who do we really want to serve in this country and the growing numbers of Latino and African American and other students from immigrant populations, the fact that we've got more than a third on Pell Grants, when you look at that, at all of these students coming into higher education, and students who are out of higher education, it could go to career technical training, to a two year to a four year. I just think we've got such an opportunity to simplify, as I said, the messaging and to really focus on local communities that states could incentivize. I just think there's a huge role for this partnership, because when I look at El Dorado, Arkansas, I look at Kalamazoo, I look at Long Beach, I look at Greater Houston, I look any number of the Detroit -- or Buffalo, I think Buffalo has Say Yes to Education Buffalo. It's something that is starting at birth and going through the workforce. And that's more than 10 years old, they've got 6 years of data. I think we need to look at how these local community designs are being implemented and states could play a huge role, not only on the loan side, but also on the design side to really incentivize the best of our designs so that we can have greater output. That's what we want, we want people in good jobs, we

want people earning a family sustaining wage, and we want people that are going to be community leaders and participants.

We don't want -- you know, we've just got too much isolation in this country and too much division. So I think the local Promise programs are saying we've got bipartisan support, people are piling on between business education, government, and philanthropy to say we've got to do better locally. And I think states can have a huge role there. And I think the federal government could do that role of incentivizing and stabilizing and simplifying the what, as again, you have said, Beth.

MR. KELCHEN: So I think the federal government probably won't do anything dramatic in the next five to ten years. We may not even see the Higher Education Act reauthorization until then. Who knows. But the federal government still plays an important role in generally increasing the Pell Grant -- I don't know, one or two percent a year. And states look at that, they see it's still higher than community college tuition and fees, so I think the action is probably state tuition free community college, maybe tuition and fee free for some states that are being a little bit nicer to students. And the concern then becomes what types of restrictions do states put on these systems. We're seeing states put residency requirements on and I wouldn't be surprised if we see some more conservative states come up with this tuition free idea, but say that if you don't graduate it turns into a loan.

So I get concerned about the restrictions, but given the relatively low price tag of doing this, particularly in states that locally fund community colleges, I think we'll see more states continuing to do this.

MR. HARRIS: Yeah, I think it's going to expand too. If you look at the polling, actually, it's interesting how broad the support is. So democrats obviously are more supportive, but plurality of republicans support it, Tea Party republicans support it, and it addresses several different problems at the same time. The debt problem that people are concerned about, the general affordability, which is tied to that, the declining

attainment numbers, economic competitiveness and equality. It addresses so many problems at once and is popular. And some of these programs are not that expensive that would be "affordable" from a fiscal standpoint to do this. Actually, I do think probably within the next five or ten years, depending on who is in congress of course and who is in the White House, I think there's a good chance that there would be a federal initiative that would at least complement the state initiatives and that the state initiatives will continue to expand.

MR. HANSEN: You want to pile on, Zakiya?

MS. ELLIS: Sure. You asked what do we see happening on the horizon, I do think you'll see more action within states. You know, there's governor races and this has been a topic among many of those races. I think I actually am more optimistic than Robert on the federal level. I think in the last presidential election this was a huge topic and it's just -- everybody was surprised at the outcome of the election and so this candidate that is now President didn't have much to say about this particular topic, but almost everybody else did within the republican and democratic primaries. So I think you'll continue to see this come up and it's come up in some of the congressional races where people are trying to be that progressive champion. I just think this has basically become a litmus test, do you have a plan or a perspective on not only college affordability, but more specifically, free college. And I think for folks that think that this is not going away or have questions or concerns, the next step would be, okay, well what is the alternative, because you can't just be, oh, we don't have an alternative. So if there's college insurance or something else, but having an alternative that speaks to kind of what is really, really popular because I will just say, if you've never been on a campaign or had to go in front of thousands of people who have questions or answer a town hall, or if you shy away from these conversations at your family reunion, Thanksgiving, holidays, because you don't like to talk to people about complexity, that's what politicians have to do an that's the way our system of representative democracy works, is that people have

to be able to answer, you have to be able to answer people and their concerns and their pocketbook concerns. And so sometimes I think we can sit here in our nice Brookings Institute and say, oh no, we're not going to worry about what's popular, and we know it's popular, but they're so wrong about that. No, you have to be able to explain what your idea is as an alternative to address someone's concern.

And so in the next five years I don't think people's concern about this is going to go away, therefore I think we are going to see some movement. And it's kind of up to us what that is going to look like and how it will be shaped.

MS. KANTER: Can I just make one last point?

MR. HANSEN: Sure.

MS. KANTER: I mean also I think everyone in the country realizes that we have been inefficient. So we can do a lot better with what we have in addition to doing more for the highly targeted, well evidenced based results that we're getting in communities and states. And so, you know, in terms of really trying to figure out -- for example, we have a Pell surplus or we're scrambling to get Pell dollars on the mandatory side of the budget because we've got two-thirds of a Pell Grant on the discretionary side of the budget. That's crazy. Can we take a surplus, make an irrevocable trust, let it grow interest, and use it for more people. I mean I think the economists have a huge role to play in financially stabilizing -- helping us really stabilize what we have and us it better, much less identifying targeted dollars to do even better things and more things that we need to do for our students and families.

MR. HANSEN: Okay, great. Thank you, Martha.

So, with that, let's go to the audience. So why don't we take two questions at a time and I guess we can pick and choose how we answer those, how we respond.

I see a red shirt right here and then how about this woman here in the black.

MR. CRAWFORD: Steve Crawford, George Washington Institute of Public Policy. Greetings to some of you, who I know. You've talked a lot about the performance requirements or other restrictions on who would be eligible at the high school level, but I've heard very little about restrictions that might be imposed on continuing to have access to free community college, or whatever the institution is, once you are in the institution. I mean I heard Robert talk about the possibility that some more conservative states will encourage -- may require that you graduate or have to repay it as a loan, but I haven't heard anything about having to -- whether it's a good idea or not to require students who are admitted free, for example, to maintain a certain average or to major in something that will help them actually get a job after they graduate.

Any thoughts on that?

MS. ELLIS: Almost every college that offers financial aid has a restriction on students continuing to enroll called "satisfactory academic progress". If you keep failing classes you do not continue to get financial aid. So that is a continuous requirement and I think a lot of the GPA requirements, like the Tennessee one, is a continuous requirement as well. It is an initial, but you have to maintain that GPA.

And I know some states actually do have -- you have to major in certain things. I will say that adds significantly to the complexity. So I talked to one person in a state who said yeah, we have free, but only if you major in this or that. Well, a lot of students don't know prior to coming in -- and the way you kind of market it, it's just difficult. I think it has been done in some places.

MR. HANSEN: Let's go to the question with the woman in black.

MS. CRUSE: Hi. Hello. I'm Lindsey Reichlin Cruse, I'm from the Institute for Women's Policy Research. And I want to talk a little more probably -- or ask a question a little more broadly about the implications of free college. Often there are questions about what about non-tuition expenses and in that vein. And, also,

interestingly, from the results of the study that was presented, what is the role of kind of broader more holistic supportive services and the free college conversation?

So, for example, if we're talking a lot about adults going back to college, a lot of those adults have children. What about childcare, what about case management and coaching that can help address some of those other factors that really matter when it comes to persistence and successful completion? So is there room for that conversation in the free college movement and as it's developing? And if there are any models that are coming out that touch on those issues I would love to hear about them.

Thank you so much.

MS. KANTER: I mean I can jump in and just say that I don't think as a country we know that one out of every four undergraduates is a parent, and that in the community colleges, fifty percent are parents. There are models. Monroe Community College in New York, which has free college, Excelsior, even with all its problems, has drop in childcare, as does Los Angeles Valley College, California has free college for community colleges. These are solutions so that what family is now going to be able to afford \$1-2000 a month to put their kid in childcare. A lot of it is extended family challenges. And I think the non-tuition cost discussion that we had up here really says we need to do more and we need to understand what the needs of these parent learners really are.

And I just do want to give a plug to the Omidyar Foundation because their mindset is intergenerational, that we have to educate, as Zakiya said, the working adults to go back in, hopefully not so highly targeted to STEM that we miss out on the teacher shortages and other high need areas that we need to really address in this country, but also those non college costs, like childcare, food, transportation, housing, are critical for these populations to do well, especially if you have more than one child.

So I just think we need to do a lot of work there and I think we need to have almost a tri-generational mindset because it's really we want to get the working

adults and the disconnected adults back into school, we want them to get a good job so that they can pay back their loans, and we want to continue to do the traditional youth to college mindset that we've had in this country for decades.

MR. HANSEN: Okay, let's go to Doug.

MR. HARRIS: I think it's a great question. I think we've alluded to the different kinds of costs that go into college, but I think it's important to point out that the direct cost that we usually think about, tuition and fees, is not actually the majority of the cost. The majority of the cost is actually opportunity costs, lost wages, and indirect costs in the case of living expenses and so on, especially for those going away to college. And that's worse for working families. Those other costs are even higher. So even for the average student, it's true that the direct costs are not the main costs. For working families it's a lot higher. So I think we need to keep that in mind when we're designing these programs. Even a free tuition, free and no fee program would still come with considerable costs.

MR. HANSEN: Beth?

MS. AKERS: Something just to be careful of - recognizing that these are probably some really important barriers, without evidence on it, for getting people to college like we'd like to see, I don't want to put too much of a burden on our system of higher education to provide social safety nets that would be better designed elsewhere. So the problem of childcare for low-income individuals is a problem regardless if you're enrolling in college. And so I appreciate that the problems may be specific to enrollment in higher education, but also would caution against trying to put too much stress on a system to do things it's really not designed or doesn't have the expertise to do.

MS. KANTER: That's why the welfare policy -- braiding those financial opportunities --

MS. AKERS: Yes, exactly.

MS. KANTER: -- at the community level so that, for example, at Los Angeles Valley College they've got a social worker from the social service agency that's coming once or -- I think it's even twice a week now, to help those families that are in great need to figure out what better solutions are being offered to them. And so I do think we have these disconnected silos of revenues that could actually, if we really figure out how to braid them together and -- you know, in the case of Los Angeles the county came in to support the drop in childcare, which was phenomenal.

MS. ELLIS: These things aren't disconnected, they're not mutually exclusive. In fact, they work better when they are done hand in hand. So I think free college that focuses on tuition and fees has to be complemented with the other supports in any way that you can.

When we had our kick off meeting, which Martha attended, for our college community college innovation challenge, which is what we called our pilot process, we had our commissioner of human services there to talk about how community colleges could partner with county human services to get people the services that they might be otherwise eligible for. So we see these things at totally aligned.

MR. HANSEN: That was great.

MR. HARRIS: So just one added thing. I think part of this is the college's responsibility, and I agree with Beth that having colleges become social service agencies is probably not the way to go, but just advising and counseling and connecting students on a personal level to somebody in college is really important. That's a clear predictor of students' success. So that's still on the colleges, and it's a bigger challenge when we're trying to bring more students and more diverse population into the school.

MR. HANSEN: Okay. Let's go to a couple of more questions. I see a woman in the blue and white in the back and over here, a gentleman in the blue shirt.

QUESTIONER: Hi, I'm Katie Vaughn from the Cato Institute. I was wondering how these programs that help students that may not have long-term residency

in states, such as military families, families that move overseas for jobs, or low income families have to move state to state, and how can we make that transparent of the state requirements for these free college requirements known to students before they apply?

MR. DANNENBERG: Hi, Michael Dannenberg with Education Reform Now. My question pegs off of a finding that Robert Kelchen made in the last couple of years, just most striking stat I've heard in education in some time, that 50 percent of black borrowers, approximately, default on their student loans within 12 years of initial assumption, and 23 percent of black bachelor degree holders default on a student loan within 12 years of initial assumption.

My question is, other than a universal gold plated free college program that covers total cost of attendance, how can free college program designs either ameliorate this problem or what kind of threat do they present in terms of worsening it?

MR. KELCHEN: So to take the second question, I think that income driven repayment should in theory completely get rid of the risk of default and would free college help with that? My sense is probably not that much, at least if it's tuition free. It might reduce the amount students have to borrow somewhat, but they're likely still to have to borrow for other factors. So I think it's much more an income driven repayment issue than a tuition free college issue, even though it is alarming.

MS. ELLIS: Can I mention that -- I'll take the first question about military and transient families. I know many of the programs do have these residence requirements, but I will say particularly for military families there are a lot of benefits through the Department of Defense for tuition assistance that actually are more generous than most of these programs here. So that would probably be the way that you want to do the first -- I mean it would be interesting to see if other places decide to kind of have an exclusion to the residence if you are in the military or -- probably that would be the main thing that I would see people being open to.

The second piece about the African American borrowers and defaulting at 50 percent rates has been probably the most alarming statistic that I've seen in my entire career. And thinking about what we can do so that that is not an outcome I think has to be an urgent and pressing concern. I would say I don't think free college makes it worse for sure, you know. So I don't know it has the ability to solve that particular problem. I think in addition to talking about free community college or free college, we also have to talk about college quality and we have to talk about college supports, non tuition supports -- like us having this conversation doesn't preclude us from having other conversations. And I do think that hopefully this is just an entrance into other broader questions about making sure that students are likely to graduate and making sure that we're teaching people in college is aligned to what they need to be successful in the workplace, and that whatever systems that we have in place for student loans lead to successful repayment. Like all of those things have to happen and it doesn't have to be free college's responsibility to solve all of them, but we should be thinking about the totality of them and we should be making sure that our program design doesn't make those thing worse.

So that would be my primary concern. Are we making the problem worse by what we're doing, even if we need to do other things to make it better?

MS. AKERS: I'll add just in response to the second question too, I'm a fan, as I've said before, of moving resources from ex ante aid to ex post aid. In other words, we use programs to try to target to individuals who we think need help to get through school or we think will go to school if we give them this aid. I'd like to see more discussion and thought put into designing ex post safety nets so that once we have the resolution of uncertainty and we see who it is who actually is struggling, the resources can go to them and allow the 50 percent who are not defaulting to sort of pay back to support that system.

MS. KANTER: I'd just add in that I don't see a limited sort of mindset on Pell Grants because I'm really encouraged by the Wabash County Promise that's starting at elementary school, telling students what they would like those expectations to be, to be a college going student broadly, whether it's career technical or more traditional as we've known it. And I think we're seeing a lot of use of incentives at younger ages, early college Promise programs. I was just at Texas A&M yesterday and they've had an early college program and they're going to have a lot of students coming into college that already have a lot of college credits because of dual enrollment. So I think those incentives, those financial free college type incentives are really boosters to that.

I do want to just make one comment about the first question, because I do think transparency is essential and I can't imagine in five to ten years a reciprocity. And I go back to the El Dorado, Arkansas Promise, where they'll send students anywhere in the country for one to four years because they have studied this for over a decade and many, many students come back to Arkansas. They also have an adult Promise that's more highly targeted, as we were saying, so I don't know which careers they might be missing because of that early onset.

But I think my takeaway from all of this is it's so ripe for continuous improvement as we move forward in this. And that's where I think all of these ideas can come to play and we really need to use the evidence base to drive those improvements.

MR. HANSEN: Okay, great. A couple more questions. This gentleman in the corduroy jacket and in the back the woman wearing a black blazer.

QUESTIONER: Thank you. I'm of European extraction and I think an international study would make a great deal of sense. I need to take 20 seconds to set up the context. I started teaching in a free university in Bucharest, Romania in 1970. I taught for about 18 years, studied at Hopkins in '70. After coming to this country I taught at Hopkins in the '90s. Now I'm teaching at Maryland and American as an adjunct. And I

went back to my country to teach as a visiting professor, tremendous changes, not only cultural but political, socioeconomic, mentality-wise, demographics.

So my question would be have you somehow -- not formally, not analytically, informally, anecdotally, tried to explain some of these things in terms of changing demographics, millennial mentality and values and the change in values everywhere in the world, as a matter of fact? And, Michael, I think that artificial intelligence and machine learning, which is very close to my heart and a fascinating subject, needs separate discussion. Because my dictum is cogito ergo sum, signed, IBM Watson.

MR. HANSEN: Let's go to the -- yeah, black blazer.

MS. RICE-THURSTON: My name is Delabian Rice-Thurston. I'm writing a dissertation that looks at what it means that we do not have a fundamental right to education in the Constitution. When Bernie Sanders came up with this college for all, the first thing I thought was, hey, my god, I have -- there is a fundamental right to college when there isn't a fundamental right to K-12. When you spoke about the kids who were not prepared, they're not prepared because K-12 is not meeting their needs.

In the United States, looking at national merit scores, Wyoming, West Virginia, North Dakota, Mississippi, Arkansas, South Dakota, Utah, Louisiana, Montana, Nebraska, Nevada, Oklahoma, and Wisconsin have the dumbest smart kids in the United States, looking at national merit best students. How can we assume that states that are doing such a terrible job with their best kids will have the resources needed to provide college for the kids who are graduating from high school? If they don't, it is going to be, I believe, a federal government responsibility. If that's the case, then under David Cole's "Engines of Liberty", that what's going on in the body politic leads to changes in the Constitution or Constitutional interpretations. San Antonio v Rodriguez said there is no federal government responsibility for education. Are we on the road to getting a federal

responsibility for education as the states can't come up with the money to provide college or two year colleges for all of the students who are going to want it?

MR. HANSEN: Okay. Excellent questions. So do we have a fundamental right to college or education in general, and shifting demographic values. Beth?

MS. AKERS: Yes, let me jump in. I'll address the second question. Maybe slightly with a tangent, but, anyway, one of the things I'm always surprised about with the free college conversation is that nobody points out that the cutoff between 12th and 13th grade is completely arbitrary. So we can really all get behind this idea that K-12 education should be the social system, right, and then 13th grade, when we talk about making that free, it's like whoa, whoa, whoa, stop the conversation, we need to talk about incentives, we need to talk about is this most efficient dollar of spending. And so I think that's a fair discussion and also consistent with why I think about frontloading some of the grand aid we are spending on higher education.

MS. ELLIS: So you're for free community college? Or are you for paying for high school? Which one are you for?

MS. AKERS: Don't quote me on any (inaudible). (Laughter) I'll stop there.

MR. KELCHEN: I'll just note that the federal government provides roughly about as much money to support higher education through all their programs as the states do. I don't see a federal Constitutional amendment any time soon, but the federal role in higher education has been well ingrained for 50 years now.

MR. HANSEN: And to contrast that with the level of federal investment in K-12 spending, that's about -- federal investment is about 10 percent of total K-12 spending. So much more significant investment from the federal government there.

MS. KANTER: And we can do a whole lot better with junior, senior, freshman, sophomore year. We can just do a whole lot better. And you see a lot of that

in the dual enrollment conversations. And I've been saying more recently, you know, we should have dual enrollment in two to four year as well. Dual enrolment should be a way that we can accelerate talent and we don't think of it that way. So we would have more time to spend on students that need more help for all kinds of reasons, with a third of children not being ready for kindergarten and all the way up. So I mean there are a lot more solutions that we need to apply at all levels of education.

Just a quick comment on your question on the international. Just knowing there is a dissertation by Valerie Balerini that compares Tennessee to Argentina, and part of what she has done is look at the cultural revolution and the history of free college in now 10 countries in the world, and how did that evolve and what is the expectation as a whole country approach. So I read that thing, I was on her committee. And when I think of free college in a local community and then I think of it scaling up and I look at what Chile had done when Bachelet came in and opened up that single test issue to really include many more students and then having Chilean University and the Capaletica University study the outcomes, the outcomes were fantastic.

So I think the whole country, the whole community, the whole state approach is really a way to get back to what Doug said about how do you simplify the messaging and then how do you have the right kinds of designs so that we can have the kind of evolution of this that we want to see that we used to have for some, not all.

QUESTIONER: Thank you very much. Is there a longitudinal dimension to this type of --

MS. KANTER: Yes, you can -- I can connect you.

QUESTIONER: Thank you.

MR. HANSEN: Yes, why don't we take that off line. A couple of more questions. This gentleman in the tie over on the left here, and this gentleman in the khaki blazer.

QUESTIONER: Thank you. Hello, I'm Emily Dye from Cato Institute. I have a question about adding this money to the students, giving the students this money, how will that inflate college prizes on the other end? I am a student at GW and GW is really good at milking their students for a little bit of money. (Laughter) I hope I'm not offending anyone. But --

MS. KANTER: I think that's their strategy.

QUESTIONER: It is. They're really good at finding like these hidden costs, whether it's making students stay in the dorms for an extra year. So how do we combat that? Is there any program that would require there to be an upfront cost of tuition staying the same through all four years or all two years that would combat giving students money and then having the colleges trying to milk that money out of them?

MR. HANSEN: Excellent question. And to yours?

MR. GROSS: Hi, Erik Gross from American Council of Trustees and Alumni. My question is for Professor Harris. I was wondering if you could speak to the nature of parental involvement in your experiment. First of all, it's kind of a cliché at this point to note that so much of academic success starts at home and it's difficult to control that. Second of all, from how you described the experiment, it kind of sounds like you're pitching directly to ninth graders and saying if you keep your grades up and go to class we'll pay college. But I think about myself at 14-15 -- which is a little bit more recently than most of us here -- and I definitely lacked the maturity and executive function to respond to long-term incentives like that. Potentially getting parents in the picture can be a little bit better of a leveraging tool. I was wondering what you have to say on that topic.

MR. HARRIS: So I can start with that one. So we also sent letters home to the parents to make sure that they were getting the message and encouraged parents to talk with their kids about the program. So we recognize that certainly parents are incredibly important in all of this.

And on the first question -- somebody help me. What was the first question?

MS. ELLIS: Tuition rising as the -- how do you control the tuition costs.

MS. KANTER: College costs -- free college tuition.

MR. HARRIS: Oh, right. Well, I think the other thing important to point out on that is if it's free then there isn't tuition in a sense anymore. So then the amount of money that the schools have to work with is basically determined by the government at that point. So it's how much they give is how much they have to spend, if it's actually free. Now, it's possible it gets set up in a way that they can still charge fees on top of it. And you can try to regulate it, although -- this is where I think the design gets complicated and you do one thing and you think it's going to be simple until it triggers something like that. Then you have to start creating all of these rules to try combat it.

MR. HANSEN: But what about for the middle class parents who aren't eligible for the free college, but yet they may also see their prices rise sort as that (inaudible)?

MR. HARRIS: Right. And this gets to the targeting, if you're targeting it only to certain families and so on. So it could end up leading to some cross subsidization then. So students who are tuition paying then may be affected by the students who are on the free college track.

MS. ELLIS: I actually think the state based programs have some good models that you could look at for this. So at a state where you do actually -- not in New Jersey, but in other states, like Tennessee, the place that's doing the college Promise program also does set the tuition rates for the institutions. So you could think about this in a place where in the same place that's talking about financial aid is also a place that looks at tuition, you would do these things hand in hand. And they're also the ones that know what the costs are to the institutions. So it's not that way in every state, and Martha and others probably know about that, but I think there are some interesting features of

design and this is one of the policy things that I think does get overlooked, but from where I sit it's not a far off thing, it's a very real and present concern about how you account for that over time.

MR. KELCHEN: So I think of two examples of states -- I think of Georgia and Massachusetts - Georgia for the Hope scholarship, Massachusetts for the Adam scholarship. And essentially both states tried to limit tuition increases as much as possible to make the tuition free programs really cheap. And they just hyped fees. The colleges end up basically getting the money they wanted. So in the end, the total sticker price didn't really end up changing that much as a result of these free college programs that they had.

MR. ELLIS: So I wanted to come back to the maturity question because I didn't answer that in my initial response. I agree with you, and we see evidence of that in the results. When we look at year-by-year, students didn't really start to respond until the end, until basically their senior year, which I think reflects what you're talking about. But part of what the results suggest is that free college can change what the adults are doing, not just parents, but also in the schools. Students may not have the maturity and executive function to respond in the way that we might want them to, but part of the idea here is to change what's happening more broadly. And I think this is why when you do it on a big scale there's that potential to have a bigger effect beyond what an individual student might decide to change.

MR. HANSEN: Okay, last round of questioning. This woman here in the black sweater and the gentleman here with the tie.

QUESTIONER: Hi, thank you all very much. Very illuminating. My name is Mindy Reiser; I've worked for the Department of Education, the Institute of Education Sciences at NCES.

My question is this, there are many ways to get to an interesting and rewarding job, but they're not necessarily all through community college or a four-year

college. So I'm wondering to take in mind what you said earlier about artificial intelligence and a number of other ways of learning. And, of course, Peter Thiel, as you know, had this great idea of supporting young entrepreneurs with \$100,000 to create their own businesses. So what can we do in terms of enabling people to pick and choose, let's say, coding courses, other courses that might lead to a good paying job that are not necessarily college?

This afternoon the AFL/CIO will be hosting a session in apprenticeships, and that's a model that many people are following. So the conversation here is focused on institutions, community colleges or four year colleges, but there are other ways of enabling people to make careers that are rewarding. I'd like you to talk about that.

MR. HANSEN: Okay, thank you. And go ahead.

MR. SWALLOW: Time is short. My name is John Swallow and I'm a retired foreign service officer with USAID and worked a lot in higher education. But I expected to hear today the term "remedial studies" in education and I didn't. Martha made a slight reference, but not using the term.

My question is - how are they involved with free college? And it could be many angles, impediments to free college or perhaps included remedial studies in education.

Thank you.

MR. HANSEN: Okay. Thank you. So because we're running short on time, we'll just do lightening responses. So maybe just a minute at most from anybody who is willing to jump in. So we have remedial studies and then also speaking about apprenticeships.

MS. AKERS: I'll respond to the first one quickly. So I'll sort of just endorse the statement that you were making with your question, and that's that we've maybe done a disservice to students and the country by putting too much emphasis on bachelor's degrees as the path to the American dream. And I don't have the answers for

how do we do that, but I think it's something that we need to spend more time talking about.

MS. ELLIS: I think we can have a whole other panel on remedial education and developmental education. So I won't necessarily say too much about that because I don't think we have time other than to say it's an important topic that deserves conversation.

On apprenticeships and degrees, I would say they're not mutually exclusive. And just a point of reference, more than half of the people that Peter Thiel funded ended up going back to college because they felt like they needed a bachelor's degree. So I want us to say that -- you know, we talk about all these alternative pathways, which I think are fantastic. We are doing everything that we can with our community colleges actually to ask them to offer apprenticeships. That's probably the second biggest initiative that we've done in New Jersey has been around apprenticeships. I don't think them and college are mutually exclusive terms. However, because we're looking at data and averages, like we know that on average the more education you get the more likely you are to get a higher return. And even though that is not the case for every single person, I would venture to guess that 75 percent of the people in this room have a bachelor's degree. And so the conversation about this I just feel like sometimes can get very sticky very quickly when we talk about other people's children. So we should be very open to making sure that everybody understands the world of work and has good exposure to that, but also without kind of tripping into old things that say some people's kids deserve bachelor's degrees, especially my kids, and other people's kids can be exposed to lots of other things.

And, again, I don't think these things are mutually exclusive, but I just think we have to be careful when we talk about it.

MS. KANTER: Just one minute. I don't want, you know, my grandkids or my nieces and nephews paying \$20,000 for truck driving school in five years when we're

going to have driverless trucks. (Laughter) So I think we do need to get to the conversation about artificial intelligence and where these jobs are going to be and whether the students are going to be ready for those jobs as they change.

And so that gets me to my just point on remediation, when we have so many large numbers of students needing remediation. We did publish "Promise With a Purpose" this spring, and it profiles the programs that are eliminating remediation or figuring out new designs for remediation, because bottom line, we don't want students using Pell Grants for remediation when we can do it in better ways. So I would just refer you to that, to see -- you know, in Dallas County Promise their goal is to eliminate remediation in the high schools. What about disconnected adults? We've got a remediation challenge. We've got to find much better ways to get students moving through so that they are prepared to do well in college and career.

MR. HANSEN: Okay. Robert and Doug, last thoughts?

MR. KELCHEN: I think that states are going to try to push individual colleges to pay for remediation, and college are going to either try to push students or high schools to pay for it. Because it's something that at least for some people it's necessary, but no one wants to pay for it.

And I can't really speak to artificial intelligence. Natural intelligence is struggle enough. (Laughter)

MR. HARRIS: So I'm just going to use my last minute to thank everybody, thank the panel for participating. I think it's been a really rich conversation. Thank my research team again, funders, Brookings, the audience, everybody on line. Because I think this has been a great conversation and I look forward to continuing that.

MR. HANSEN: Yes, thank you everyone for being here and for your participation. (Applause)

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