

Highlights

David J. Deming of Harvard University proposes a federal matching grant for public institutions that implement free college proposals in order to increase graduation rates at community colleges and universities.

The Proposal

Establish a 1:1 federal matching grant for institutions that implement free college plans.

In its reauthorization of the Higher Education Act of 1965, Congress would commit to matching the first \$5,000 of net per student spending at all public postsecondary institutions that make college tuition-free for eligible students.

Restrict the grant to spending on instruction and academic support services. There is substantial evidence that increased spending on these categories improves academic quality and raises completion rates. The matching grant also caps spending on administration as a share of spending per full-time student.

Provide the grant to eligible institutions. Deming's proposal would apply to all public, financial aid-eligible, degree-granting institutions that commit to making college tuition-free for at least full-time in-state students who meet certain minimal eligibility requirements.

Establish a 2:1 match rate for competitive pilot programs that increase degree completion among low-income students. For example, innovative programs that combine financial aid with mentoring and other academic supports would be eligible.

Benefits

This proposal helps to rein in the rising cost of attending college while ensuring that a greater share of scarce state funds is spent on programs that have been shown to increase college completion rates. Enhancements in educational quality would particularly benefit students from low-income families, who are more likely to attend two-year and less-selective four-year institutions where current spending on instruction and academic supports is relatively low. Furthermore, even under optimistic assumptions about participation in the matching grant, the cost to the federal government would be no more than one third of current spending on federal financial aid programs.



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