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Jacob P. Gross

University of Louisville, Kentucky, jacob.gross@louisville.edu

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Introduction:

Reauthorization: An Opportunity for Substantive Change in How Students Pay for College

By Jacob P. Gross

College affordability has garnered considerable attention among students, families, the media, and policymakers. This attention is evident in a number of ways, including recent efforts and proposals for so-called free community college. In spring 2015, the Obama administration announced a proposal called America's College Promise (modeled after the Tennessee Promise, begun in 2014), which aimed to waive college tuition for students who attend community college at least half time, maintain a 2.5 GPA, and make steady progress toward a degree. Surveys also illustrate the public's affordability concerns, with one study finding that 75% of Americans felt college was too expensive for most Americans and 57% felt that college was not a good value (Taylor et al., 2011). The allocation of resources to fund higher education is an important focus of public policy and of considerable interest to constituents.

The Obama administration's recent proposal notwithstanding, the Higher Education Act (HEA; PL 89-923) is the primary mechanism that the federal government has used to address college affordability. Originally signed into law on November 8, 1965, by President Lyndon B. Johnson, the most current version of the law, the Higher Education Opportunity Act (HEOA; PL 110-315), contains eight titles: teacher quality enhancement, strengthening institutions, student assistance, developing institutions, international education programs, graduate and postsecondary improvement programs, and additional programs (Hegji, 2014). Each title focuses on providing resources to strengthen America's colleges and universities. The current, 10th reauthorization of the original HEA is a key moment to reflect on the past, present, and future of this important federal legislation.

Although the Tenth Amendment of the U.S. Constitution delegated responsibility for higher education to states, the role of the federal government has ebbed and flowed over time. The federal government provides the bulk of its higher education funding in the form of direct aid to students via Title IV of HEOA, with some direct funding to institutions for particular purposes (e.g., Title III of HEOA provides direct aid to institutions that serve high proportions of minority students) and research. States, by contrast, provide most of their funding for higher education through direct appropriations to institutions (mostly public, but, in some states, private as well), with considerably smaller amounts in financial aid for students.

Despite the historically strong role of the states in funding higher education, we have reached a tipping point where federal investments are beginning to surpass those of the states. In 2013-14, federally funded student financial aid constituted 66% of all financial aid to students, including non-federal loans (Baum, Elliott, & Ma, 2014). Between 2007-08 and 2014, states spent about 20% less per student (or \$1,805) in constant 2014 dollars (Mitchell & Leachman, 2015). From 2008 to 2013, federal investment in the Federal Pell Grant grew in constant dollars by 72% (about \$13.2 billion) while funding for veterans benefits grew by 225% (about \$8.4 billion in 2013 dollars). In 2013, states invested a total of \$75.6 billion in higher education

Jacob P. Gross, is assistant professor in the Department of Educational Leadership, Evaluation, and Organizational Development in the College of Education and Human Development at the University of Louisville. He is executive editor of the Journal of Student Financial Aid.

compared to \$72.7 billion invested by the federal government (Pew Charitable Trusts, 2015). On a per-student, full-time equivalent (FTE) basis, revenue from federal sources going to public, nonprofit, and for-profit institutions surpassed revenue from state sources in 2010 (Pew Charitable Trusts, 2015). In sum, ongoing state divestment, which accelerated during the Great Recession, coupled with significant increases in federal spending for the Federal Pell Grant, have resulted in a changed landscape where states are playing a diminishing role in funding higher education.

Arguably, this tenth reauthorization of HEA is occurring within a policy window that may enable substantive change in how higher education is financed, and, consequently, how students pay for college. According to Kingdon's (1995) model of policy formation, the confluence of three streams (i.e., agreement that something is a problem; existence of multiple and viable policy solutions; and the political will to affect change) provides a window during which policies can be changed. The growing concern over college affordability and the proposals to address that concern are evidence of problem and solutions streams. Proposals offered to date in the current U.S. presidential election campaigns suggest that there may be political will to affect change. For example, former secretary of state and current presidential hopeful Hillary Clinton proposed a \$350 billion plan over 10 years to make tuition debt-free at public colleges and universities. Other candidates (e.g., Bernie Sanders, Chris Christie, Martin O'Malley, and Marco Rubio) have weighed in on the need to change higher education financing, accountability, and more.

The attention to higher education issues among these politicians is perhaps indicative of broader economic concerns in the United States. As Aaron Zitner writes in an August 12, 2015, *Wall Street Journal* blog post,

Even if you don't carry student debt or have a kid headed to college, the higher-ed debate is worth following. More than any issue, it's revealing how candidates in both parties plan to show an unhappy public that they have solutions to the current strain of economic anxiety, one arising from wage stagnation, disruptive technologies, and tepid growth.

All of this suggests that the current reauthorization may yield significant changes in the federal government's approach to funding higher education.

The HEA reflects beliefs about the purpose of higher education, who should have access to it, and how it should be distributed (Bhola, 1989). While these beliefs influence policy decisions, it is also important that policy decisions—like the reauthorization of the HEA—be informed by research-based knowledge and empirical evidence. The papers in this volume identify a number of important research-based suggestions for policymakers to consider in this reauthorization, and highlight areas where additional research is needed to further inform policymaking.

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