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## Not everyone agrees on Hillary Clinton's big, bold plan for college affordability

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Hillary Clinton took her higher education agenda a step further Wednesday by proposing the elimination of college tuition for working families and to give people time to restructure their federal student debt, but the expansive plan is being met with mixed reviews from the higher education community.

Clinton captured the interest of academics and policy wonks last summer with her far-reaching platform to make college affordable, calling for tuition-free community college, refinancing federal student loans, and child care for students, among other things. Some criticized the presidential candidate for not backing free college for all students like her rival Sen. Bernie Sanders, arguing that the country needed bold ideas to create real equity in higher education.

At the time, Clinton contended that taxpayers shouldn't foot tuition bills for Donald Trump's kids. And although she hasn't exactly changed her tune, Clinton is now proposing that tuition at public colleges and universities be free for students from households earning up to \$125,000 a year. Her campaign estimates that more than 8 in 10 families would benefit from the plan, which has been praised by Sanders and is gaining the support of higher education experts.

"Free college promotes equity, and this is yet another step toward that end," said Sara Goldrick-Rab, a professor of higher education and sociology at Temple University. "I'm glad that she has moved toward a real recognition that the current system is not okay and is not sufficiently universal. It's just that she still seems very committed to the idea that we must not give Trump's kids the potential of a benefit."

Goldrick-Rab takes issue with Clinton's continued use of a means test to determine eligibility for free tuition. Tying financial aid to income, she argued, has "failed miserably" in determining who needs assistance and helping families pay for college.

Income thresholds also fail to take into account the limitations of earnings in parts of the country with a high cost of living, said José Luis Santos, vice president for higher education policy and practice at the Education Trust, a think tank. Household income of \$125,000, he said, stretches a lot further in Tucson than it does in Los Angeles, meaning financial need will vary from one location to another.

Mark Huelsman, senior policy analyst at left-leaning think tank Demos, argues that Clinton's proposal creates a "guarantee of affordability for the vast majority of families. It targets resources at families who most struggle to pay. I understand that there is a value in universality and simplicity, but there is also a value in targeting resources."

The federal-state partnership that underpins Clinton's higher education agenda would benefit families across the income spectrum, said Debbie Cochrane, research director at the Institute for College Access and Success. The original plan, dubbed the New College Compact, would pour more federal dollars into states that increase their investment in higher education to keep costs down. If increased state appropriations led schools to hold the line on tuition, fees and room and board, upper-income families who earn too much to qualify for federal need-based aid could reap some of the rewards.

"Middle- and upper-income families that have to contend with large tuition increases are arguably the ones most affected by state disinvestment in higher education and tuition increases that schools have to push on their students," Cochrane said. "The proposal to hold states accountable for funding higher education appropriately and stably will do a lot for upper income families."

Perhaps too much, argued Neal McCluskey, director of the conservative Cato Institute's Center for Educational Freedom. Subsidizing people who could otherwise cover the cost of college, which would include many students from families earning up to \$125,000, creates "huge, counterproductive costs," he said. A Clinton aide said the expansion of her higher education platform will raise the \$350 billion cost of the compact by \$100 billion.

"Taxpayers would end up subsidizing many well-to-do people while taking money from other uses they might have had for it, such as buying a car, purchasing a home or investing," McCluskey said. "Meanwhile, it would likely exacerbate problems we already have, including needing degrees for jobs that didn't previously require them and overcrowding schools."

Proponents of debt-free college have argued that making higher education more affordable could be a boon for the economy. The less money families have to deploy toward education, the more money they have to spend elsewhere. Although experts debate the impact of student debt on household formation and home buying, there is a broad understanding that student loan repayments eat up a larger share of Americans' expenses than a generation ago.

Against that backdrop, Clinton is proposing a three-month moratorium on all federal student loan payments to give borrowers time to refinance, consolidate or sign up for one of the government's generous repayment plans. The White House has given Americans more options for repaying their loans so they can avoid default, expanding programs that cap monthly payments to a percentage of earnings, known as income-based repayment plans. Enrollment in those plans has climbed, but the administration has said more borrowers could be taking advantage of the plans.

Advocacy groups have questioned whether student loan servicers, the middlemen who collect and apply payments on the government's behalf, are doing enough to help borrowers. Researchers at the Government Accountability Office have concluded that the gulf between participation in income-based plans and eligibility suggest that borrowers are not receiving sufficient information from servicers. Critics call into question the effectiveness of these

contractors and the Department of Education's oversight, raising concerns that the moratorium would miss the mark as long as the current servicing system is in place.

"There are constructive and urgently needed policy steps that an administration could take with regard to loan repayment — not least of all, by fixing the Department of Education's continual bungling of student loan servicing contracts — but a three-month stop-the-clock-for-everybody step is not one of them," said Barmak Nassirian, director of federal relations and policy analysis for the American Association of State Colleges and Universities.

There is also concern that lowering the interest rate on student loans or enrolling more people in an income-based repayment plan would do little to help the people who are struggling the most with education debt. People with less than \$10,000 in student debt have the highest chance of defaulting on their loans because many never graduated college and are unable to get a job that pays enough to cover their debt payments, according to the Federal Reserve Bank of New York.

Goldrick-Rab of Temple said one way to address that problem would be to forgive the debt of students who receive Pell grants, a form of financial aid for needy college students. Pell, she argues, was supposed to ensure that low-income students would not need to borrow to attend public colleges and universities. But Pell has not kept pace with the cost of college. Whereas the grants covered 77 percent of the cost of attending a four-year public university in 1980, it barely covered a third of the cost by 2011, according to the Education Trust.

"We knew that loans were a bad idea for low-income students because their chances of graduating were low. And the prospects of them having the money to repay the loans were low, even if they graduated," she said. "The best way to fix this would be to wipe the slate."

Clinton does want to expand the Pell program by providing low-income college students money to take classes throughout the year, in an effort to boost graduation rates. President Obama doubled Pell funding in 2010 through savings eked out of reforms to the federal student loan system, but congressional budget agreements the following years cut the benefits by not allowing the grants to be used toward summer courses. Legislation to restore so-called year-round Pell is wending its way through Congress.

"While most are focused on the 'free tuition' aspect of this proposal, it's equally important to consider the potential impact of restoring year-round Pell and freeing up aid to students to help cover non-tuition costs like books, rent and child care," said Zakiya Smith, strategy director at the Lumina Foundation. "Those indirect costs trip up a lot of the most vulnerable students and are incredibly important investments to prioritize within the context of this overall plan."