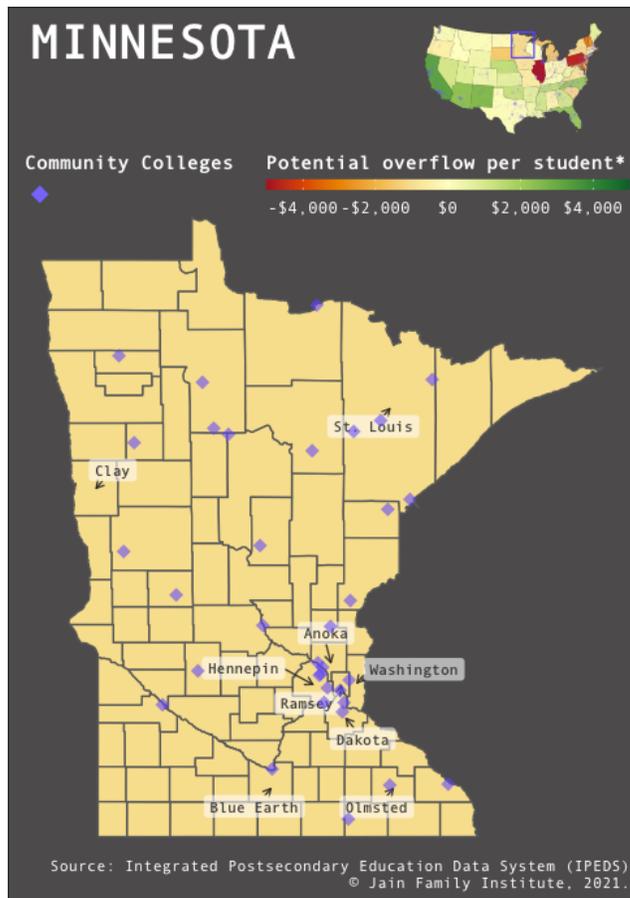


# AMERICA'S COLLEGE PROMISE (ACP) FUNDING IMPACTS & FURTHER READING

Debt-Free College For All – Week of Action, October 2021

This resource is provided by researchers at the Center for American Progress, the Jain Family Institute, and other members of the Higher Ed Not Debt (HEND) Coalition in collaboration with Generation Progress.



## FREE COMMUNITY COLLEGE IN MINNESOTA<sup>1</sup>

An estimated **33** higher education institutions in **Minnesota** are eligible for the ACP federal-state partnership for free tuition and fees. These institutions, with **34** campuses across the state, served over **134500** ACP-eligible students [**62600+** full-time equivalent (FTE) students] in the 2019-2020 academic year. That year: **50%** were part-time; **32%** were Pell grantees; **51%** were State/Local grantees; **27%** took a federal loan. **The table below outlines the benefit per student (FTE) in the state of Minnesota alongside average college costs to demonstrate the overflow in funds per student and, in aggregate, across the state.**

Federal ACP Funding per FTE <sup>2</sup>	\$4478
State Grant/Scholarship per FTE	\$736
Combined ACP & State Contribution per FTE	\$5214
Average In-State Resident Tuition & Fees	\$5531
Does Combined Contribution covers 100% tuition and fees?	No
Overflow or Disparity per FTE <sup>3</sup>	<b>-\$317</b>
Overflow or Disparity Total Funds	<b>-\$19 million</b>

## FURTHER READING

### Free College & Federal-State Partnerships

- [Beyond Tuition](#) is the Center for American Progress' proposal for a federal-state funding partnership that ensures a debt-free, high-quality college education for all as well as accountability for institutions.
- Another problem that a federal-state funding partnership can solve is low graduation rates. The [College Completion Fund](#) website offers research and commentary on why institutions need additional funding to support student success, as proposed within the American Families Plan.
- Free college only works if it is for everyone. From CAP, [4 Principles for a Free Community College Program That Works for All](#) describes the baseline features of a good free college program. Key recommendations surround ensuring state

<sup>1</sup> Data sourced from the IPEDS 2019-2020 access database. Analysis performed by Jain Family Institute's Higher Ed Finance team.

<sup>2</sup> Based on the [ACP Analysis](#) done by Peter Granville at The Century Foundation; \$4,478 is the national median tuition and fees charged at qualifying institutions. As currently written, the first year of ACP will see the federal government fund 100% of this amount as long as states make up any difference between this amount and unmet tuition and fees funding for eligible students.

<sup>3</sup> "Overflow" indicates that the combination of ACP federal funds and State/Local grants will be enough to cover tuition and fees for community college students, in fact there will be extra funds with which the state can allocate to students how it seems fit. "Disparity" means the state will have to increase grant/scholarship funds to community college students to cover 100% tuition and fees.

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funds are first-dollar, to benefit low-income students more; ensure full and part-time students access funds; remove heightened GPA requirements; and expand student support services.

- This 2021 [brief](#) by TICAS indicates that the policy combination of doubling Pell and a federal-state partnership has the potential to reduce reliance on student debt and close income-based gaps in enrollment and completion rates.
- A federal-state partnership with strings attached - including stipulations on state funding streams, which institutions are covered, and academic quality costs only, etc - will enable a higher ed system that is more affordable, equitable, and successful in the long-run, per Roosevelt Institute's [2021 "New Deal for Higher Education" factsheet](#).

## Student Debt

- In [Addressing the \\$1.5 Trillion in Federal Student Loan Debt](#), authors from the Center for American Progress and Generation Progress consider six options for addressing student debt, including cancelling debt through varying approaches and reforming student loan repayment.
- [Road to Relief](#) contains another approach for reforming federal loan repayment and cancelling student loan debt from authors at the National Consumer Law Center and the Center for Responsible Lending, focusing on solutions that will aid populations disproportionately burdened by the student loan crisis.
- In [Student Debt Cancellation Is Progressive](#), researchers at the Roosevelt Institute explain how to design a debt cancellation program that is progressive and explain the hazards of using income cutoffs to determine who receives debt cancellation.
- The [#DoublePell website](#) offers facts, student stories, news, and research on the issue.
- [Investing in Our Future](#) contains the top recommendations for federal financial aid policy from the National Association of Student Financial Aid Administrators.
- [The Student Debt Crisis is a Crisis of Non-Repayment](#) as debt burdens eclipse borrowers' ability to repay. Repayment and forgiveness programs aren't working as promised, [Driving Runaway Debt](#) in the process. Repayment systems need an overhaul, for students and their [families](#).