

# Choosing Equity:

## Options for Affordable Public Higher Education in Massachusetts

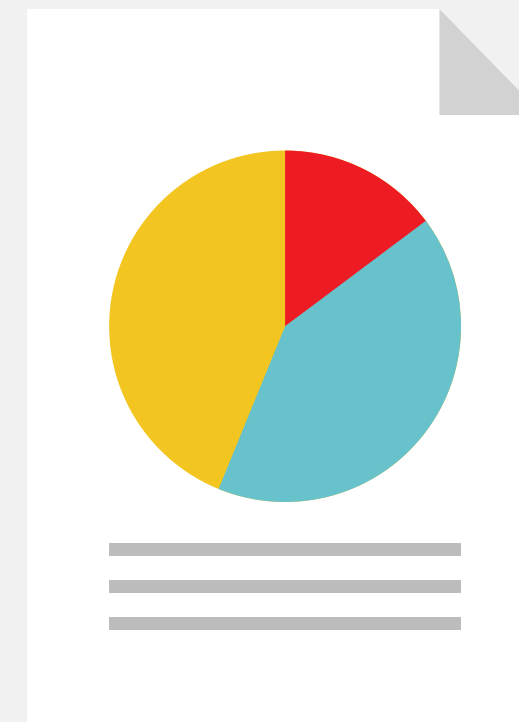
Anastasia Martinez, Policy Analyst

# Acknowledgments

This research emerged out of ongoing meetings and consultations with organizations and advocacy groups in Massachusetts representing students, families, faculty & staff, and labor.

We would like to particularly thank:

- Massachusetts Teachers Association
- Hildreth Institute
- Zero-Debt Massachusetts
- Public Higher Education Network of Massachusetts (PHENOM)

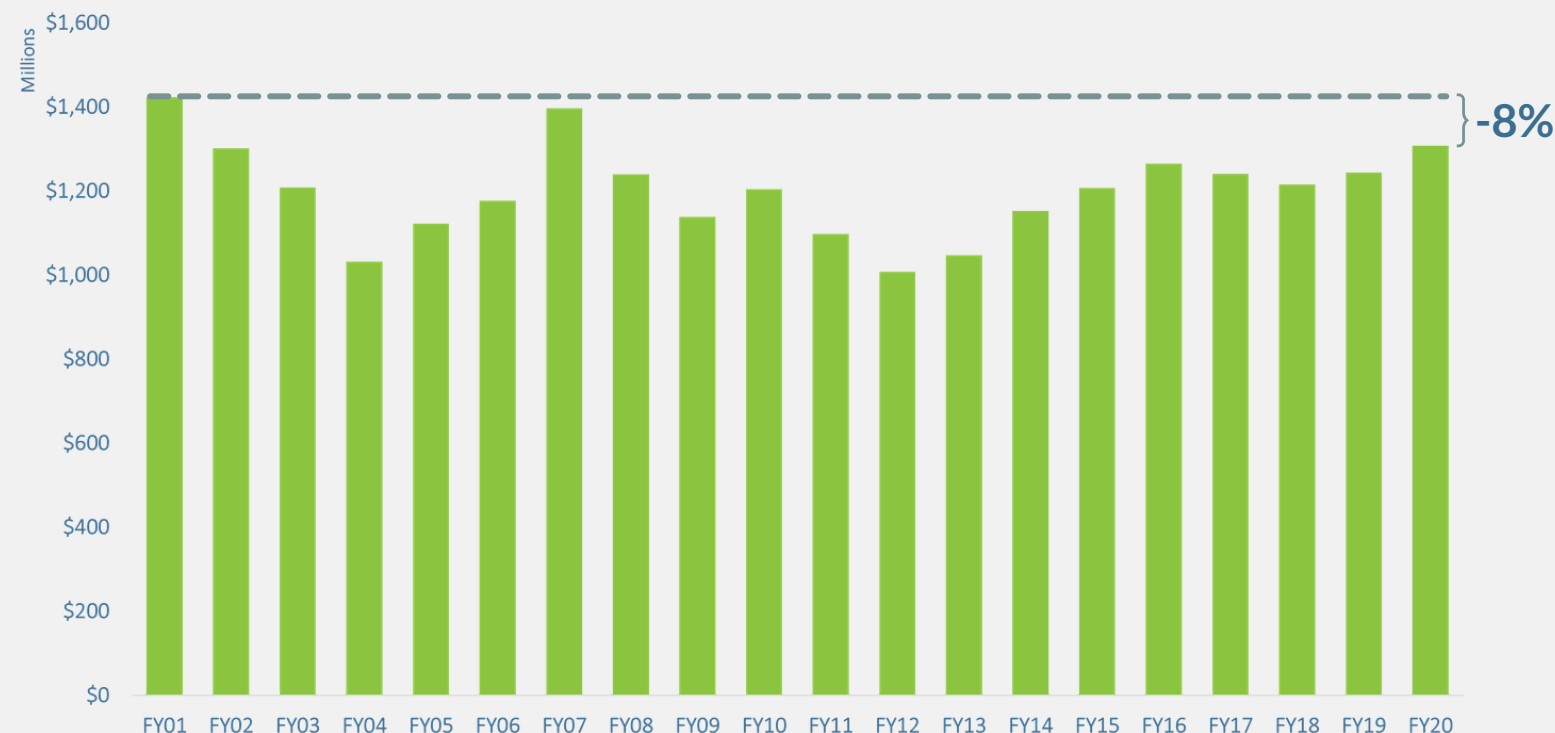


# Cuts to public higher education have led to higher costs for families.

## STATE DISINVESTMENT

State spending on higher education has never been restored to its FY 2001 level of \$1.4 billion. Even so, 52% of voters in a recent poll said affordable public higher education is a priority [1].

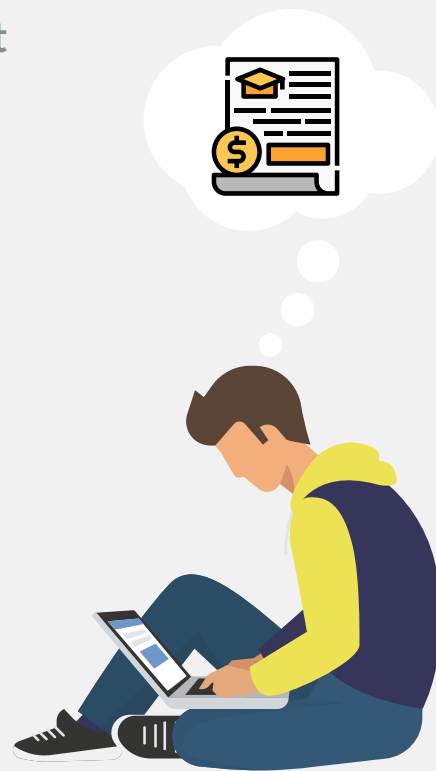
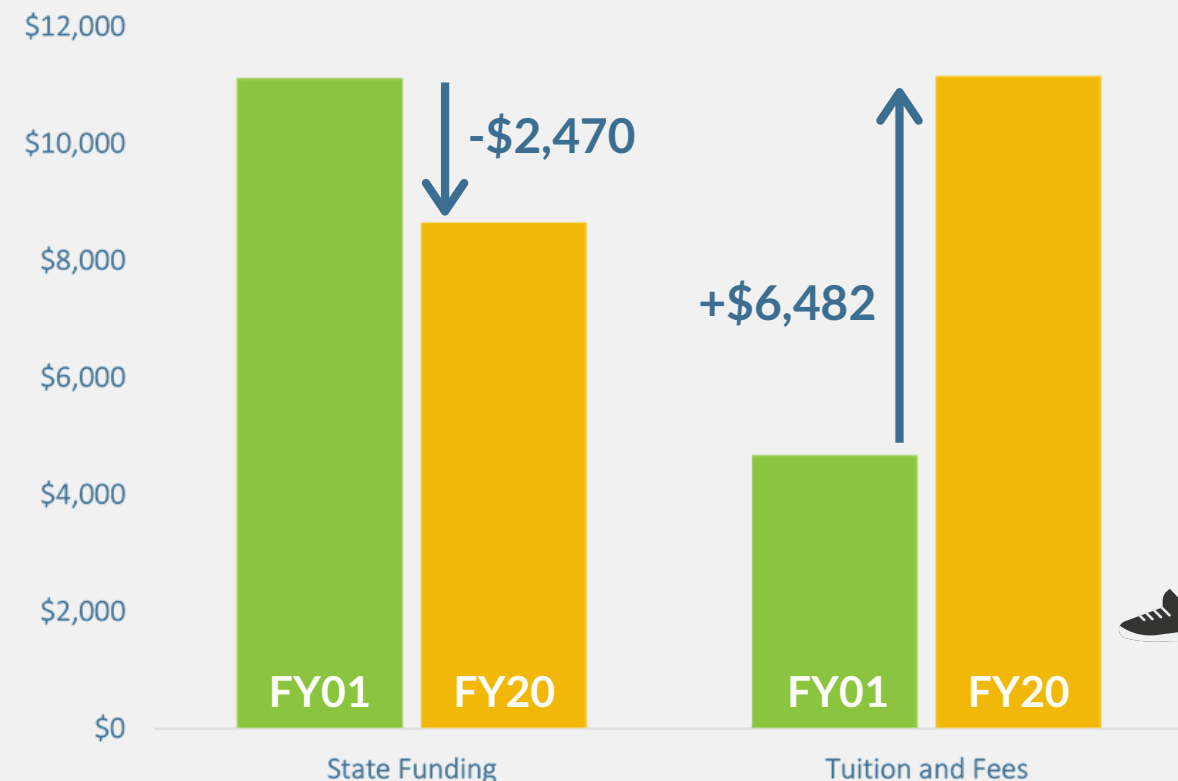
State spending on higher education, adjusted to inflation (2020 \$)



## BURDEN PASSED TO STUDENTS & FAMILIES

Public colleges & universities make up for reduced state funding with increased tuition and fees, placing the financial burden on students and families [2].

Per-student state funding to campuses vs. resident tuition and fees, adjusted for inflation (2020 \$)

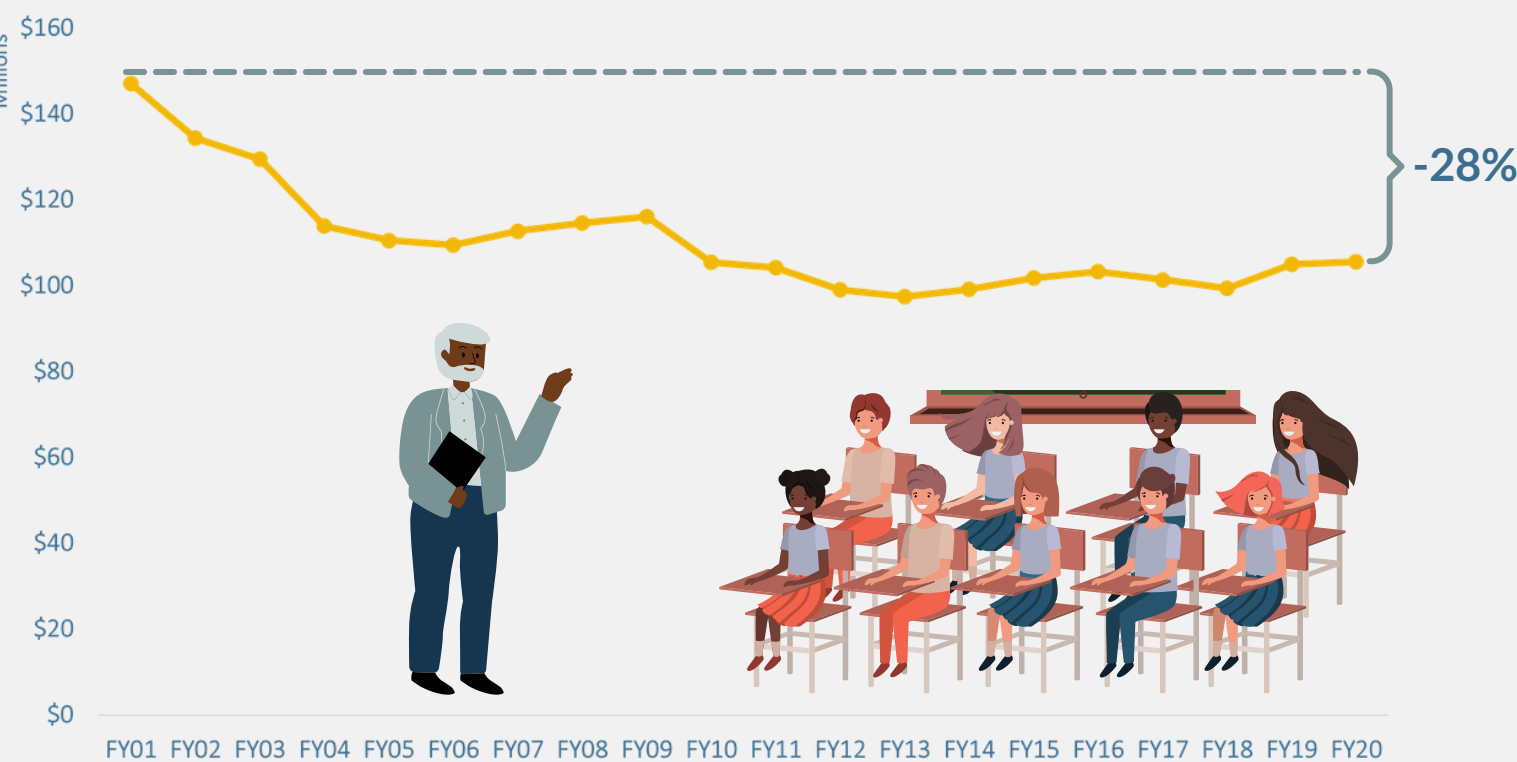


# Families turn to scholarships and loans to cover higher tuition and fees.

## STATE SCHOLARSHIPS CUT

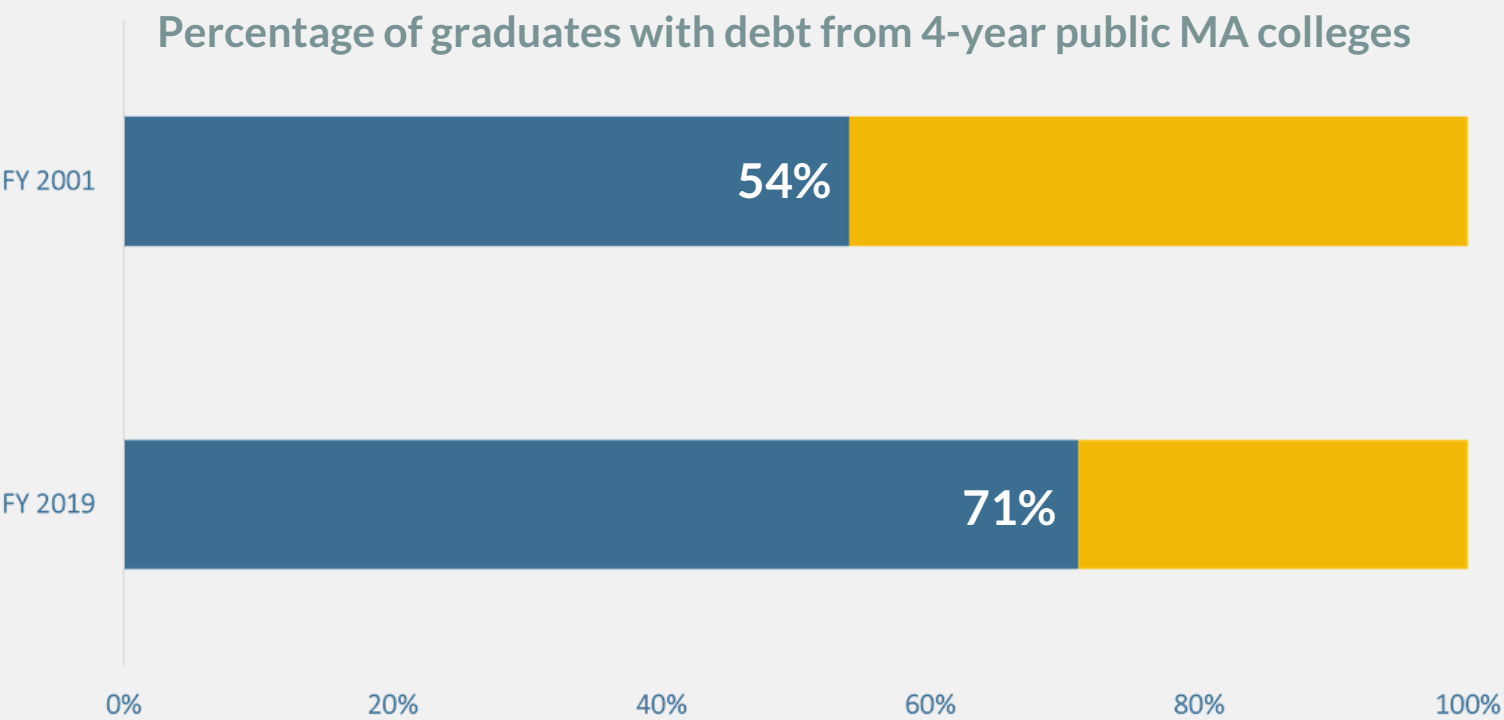
Many families look for scholarships to help. However, Massachusetts has continued to cut state scholarship funding since FY 2001 [3].

State spending on State Scholarship Program, adjusted for inflation (2020\$)



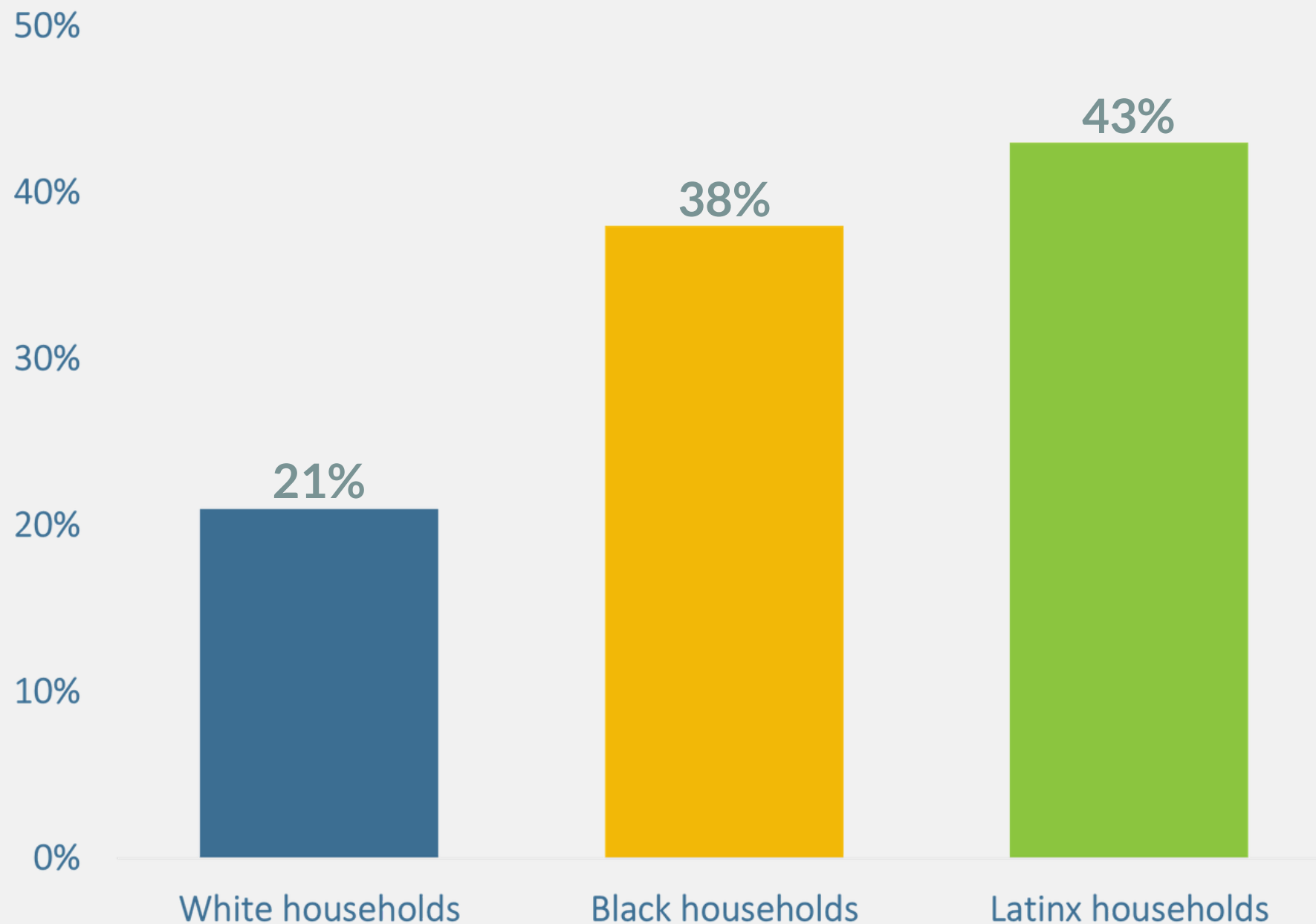
## STUDENTS & FAMILIES TURN TO LOANS

When scholarships aren't enough, students turn to loans and graduate with debt. Average student debt has increased from about \$20,700 (FY01) to about \$31,900 (FY19) [4].



# High costs for public higher education hit Black and Latinx households hardest.

Average costs as a percentage of median household income, by race



In 2017, the average price of tuition and fees, room and board, and books and supplies, minus the average aid received for a public four-year institution in Massachusetts, accounted for a larger portion of Black and Latinx household incomes than White household incomes due to longstanding and persistent disparities in household incomes in Massachusetts [5].

# How can Massachusetts create a more equitable public higher education system?

There are options. The state can choose to cover the cost of tuition and fees for students or provide additional financial aid. Either would be a step towards a more accessible and affordable system for all.



# Definitions

- **Cost of Living:** Includes food, childcare, medical, housing, transportation, and miscellaneous costs based on the county in which an institution is located
- **Expected Family Contribution (EFC):** Amount contributed by student or family based on an estimate calculated by the institution of the family's ability to pay for a year of post-secondary education
- **Free Application for Federal Student Aid (FAFSA):** A form completed by current and prospective college students in the United States to determine their eligibility for student financial aid (including non-loan *and* loan aid)
- **(Extra) State Funding:** Forms of funding from the state to public institutions
  - For Options 1a and 1b, this extra state funding would go to public institutions to pay for tuition and fees
- **(Extra) Non-loan Aid:** Forms of financial aid that do not need to be repaid such as, Federal Pell grants, state scholarships, institutional scholarships, grants, tuition waivers
  - The extra non-loan aid calculated in Options 2a and 2b would go to students.
- **"Debt-free":** The ability for a student to attend classes and meet basic needs such as food and housing without taking on any type of debt
- **First-Dollar Program:** Covers full tuition and fees, regardless of a student's eligibility for grants or scholarships
  - Calculation: Tuition and Fees = Extra state funding needed to achieve first-dollar program
- **Last-Dollar Program:** Covers the amount of remaining tuition and fees after accounting for the value of grants or scholarships
  - Calculation: Tuition and Fees – Existing Aid = Extra state funding needed to achieve last-dollar program [6]

# Option 1: Tuition-Free Education

HOW DOES THIS OPTION WORK? ELIMINATING TUITION AT PUBLIC INSTITUTIONS, A STEP TOWARDS AFFORDABILITY FOR ALL

## "Education is a Right"

- Goal: Eliminate tuition and fees for students at public community colleges and/or all public colleges and universities.
- State funding would cover tuition and fees for all students through either a *first-dollar or last-dollar* program approach.
- Similar to K-12 education, advocates argue public higher education is a public good and should be affordable and accessible to all.
- Further, advocates believe programs that are universal are less likely to see cuts [7].
- The following slides will explore two options:
  - Option 1a: Tuition-Free Community Colleges
  - Option 1b: Tuition-Free Public Higher Education





# Option 1a: Tuition-Free Community Colleges

WHO WOULD IT HELP? [8] TUITION-FREE COMMUNITY COLLEGES HELP ALL, BUT DO NOT TARGET THOSE WITH THE MOST NEED

Any in-state student attending a **community college** in Massachusetts would not pay tuition or fees. While this approach does benefit all students, it is not a targeted solution for students of color or low-income students. If a targeted solution was desired, policymakers would need to work with advocates to outline eligibility requirements.

60,000  
COMMUNITY COLLEGE  
STUDENTS



# Option 1a: Tuition-Free Community Colleges

WHAT WOULD IT COST? [9]

FIRST-DOLLAR APPROACH

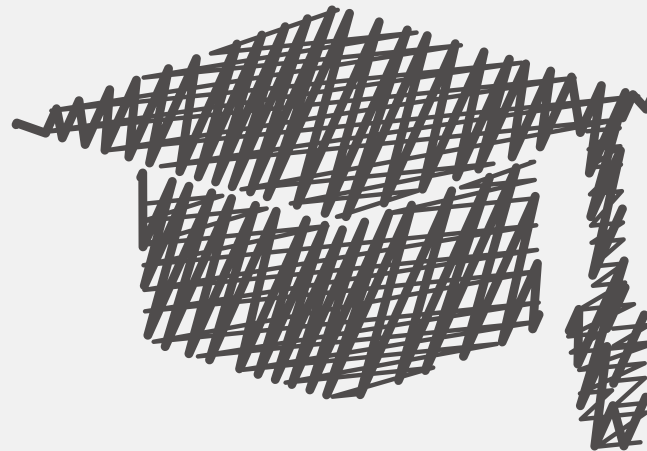
**\$224 Million**

EXTRA STATE FUNDING

⋮

(Tuition & Fees)

= Extra State Funding Needed



LAST-DOLLAR APPROACH

**\$54 Million**

EXTRA STATE FUNDING

⋮

(Tuition & Fees) - (Non-loan Aid)

= Extra State Funding

# Option 1b: Tuition-Free Public Higher Education Institutions

WHO WOULD IT HELP? [10] TUITION-FREE PUBLIC HIGHER ED. HELPS ALL, BUT DOES NOT TARGET THOSE WITH THE MOST NEED

Any in-state student attending a **public college or university** in Massachusetts would not pay tuition or fees. While this approach does benefit all students, it is not a targeted solution for students of color or low-income students. If a targeted solution was desired, policymakers would need to work with advocates to outline eligibility requirements.

**181,000**  
PUBLIC HIGHER ED. STUDENTS



# Option 1b: Tuition-Free Public Higher Education Institutions

## WHAT WOULD IT COST? [11]

### FIRST-DOLLAR APPROACH

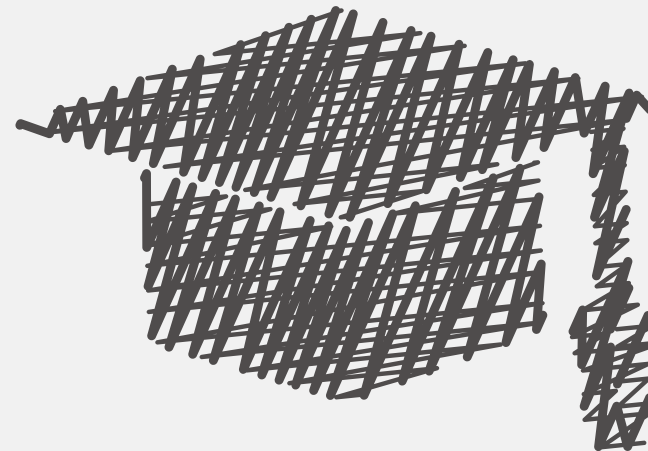
**\$1 Billion**

**EXTRA STATE FUNDING**

⋮

(Tuition & Fees)

= **Extra State Funding Needed**



### LAST-DOLLAR APPROACH

**\$439 Million**

**EXTRA STATE FUNDING**

⋮

(Tuition & Fees) - (Non-loan Aid)

= **Extra State Funding Needed**

# Option 1: Tuition-Free Education

## CONSIDERATIONS

- This option does **not** include covering the cost of everyday living expenses.
  - In order for students to successfully attend public higher education and obtain a degree, there are costs outside of tuition and fees.
  - Some of these include books and supplies, food costs, housing costs, transportation costs, child care costs, medical costs.
- The state would need to require students to complete the **FAFSA** as part of their applications to ensure they are applying for available federal and state **non-loan aid**.
- Students without documented status are currently excluded from in-state tuition prices.
  - Policies would need to be put in place to address this inequity.

# Option 2: Debt-Free Public Higher Education

HOW DOES THIS OPTION WORK? INCREASING FUNDING FOR NON-LOAN AID TO STUDENTS WOULD ALLOW THEM TO GRADUATE DEBT-FREE

- Goal: Increase state funding for *non-loan aid* to students in public community colleges and/or all public higher education institutions.
- This increase in non-loan aid would allow students to graduate from public college or university in Massachusetts *debt-free*.
  - Additional *non-loan aid* would provide students with funding for non-tuition costs, such as **food, housing, transportation**, and much more.
- Why is this important?
  - Eliminating only tuition costs will not solve the affordability crisis in public higher education.
  - Tuition and fees represent only **24%** of overall costs in the public 2-year sector and **40%** of overall costs in the public 4-year sector [12].
- The following slides will explore two options:
  - Option 2a: Debt-Free Community Colleges
  - Option 2b: Debt-Free Public Higher Education



# Option 2a: Debt-Free Community Colleges

WHO WOULD IT HELP? [13]

26,000

STUDENTS OF COLOR



13,000

PART-TIME STUDENTS



35,000

FEMALE STUDENTS



25,000

STUDENTS FROM FAMILIES  
MAKING LESS THAN  
\$30,000 A YEAR



# Option 2a: Debt-Free Community Colleges

WHAT WOULD IT COST? [14]

# \$1.1 Billion

***Extra non-loan aid necessary***

(Cost of living + Tuition & Fees) -  
(Expected Family Contribution + Non-loan Aid + Working Component)  
= ***Extra non-loan aid necessary***

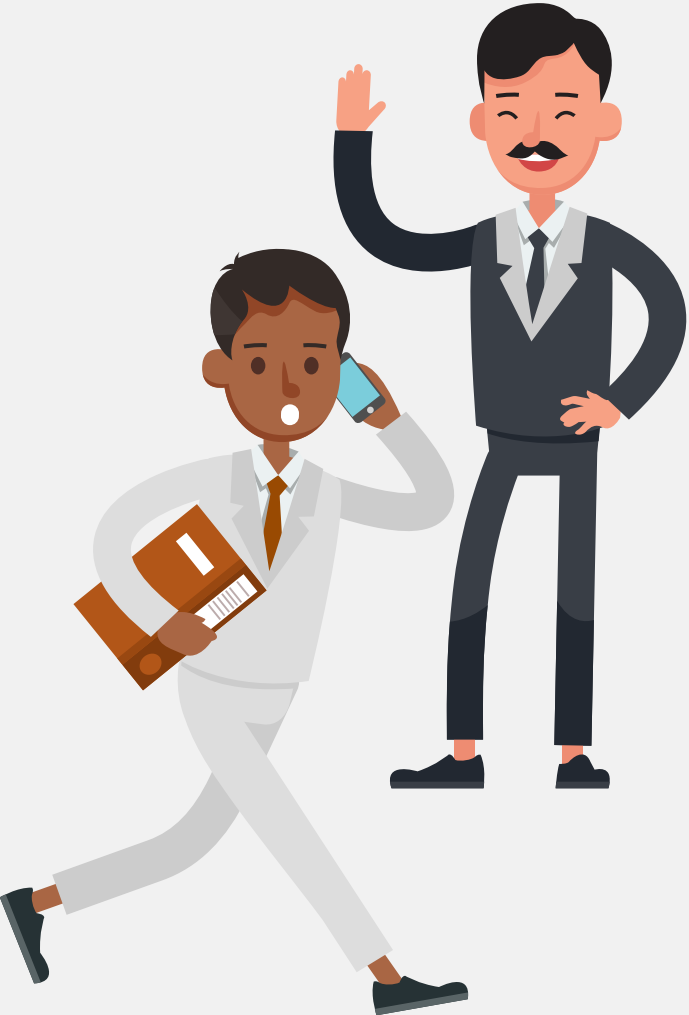


# Option 2b: Debt-Free Public Higher Education

WHO WOULD IT HELP? [15]

44,000

STUDENTS OF COLOR



16,000

PART-TIME STUDENTS



70,000

FEMALE STUDENTS



39,000

STUDENTS FROM FAMILIES  
MAKING LESS THAN  
\$30,000 A YEAR



# Option 2b: Debt-Free Public Higher Education

WHAT WOULD IT COST? [16]

# \$2.12 Billion

*Extra non-loan aid necessary*

(Cost of living + Tuition & Fees) -  
(Expected Family Contribution + Non-loan Aid + Working Component)  
= *Extra non-loan aid necessary*

# Option 2: Debt-Free Public Higher Education

## CONSIDERATIONS

- "***Expected family contribution***" as currently calculated may not be realistic for students from low-income families.
  - The amount of the contribution expected from a student's work income in the estimate may not be realistic for all as some students may simply not have the capacity in their schedule to work.
  - The model assumes that in order to not jeopardize academic performance, students would not work more than 15 hours a week. However, students may not have autonomy over their work schedules, especially in off-campus employment.
- If only debt-free community colleges were offered, students who might qualify for — and could afford — four-year institutions might choose debt-free community colleges based mainly on cost, affecting enrollment assumptions.
- Students without documented status are currently excluded from in-state tuition prices.
  - Policies would need to be put in place to address this inequity.

# Appendix A: Funding Model Methodology

Option 1: TUITION- AND FEE-FREE HIGHER EDUCATION

FIRST-DOLLAR PROGRAM = TUITION + FEES

LAST-DOLLAR PROGRAM = (TUITION + FEES – EXISTING AID)

Option 2: DEBT-FREE HIGHER EDUCATION = (TUITION + FEES + COST OF LIVING) – (EXISTING AID)

## METHODOLOGY

Our models are all based on the following assumptions:

- STUDENT COST OF EDUCATION = TUITION + FEES + COST OF LIVING (housing, food, books, supplies, transportation, childcare as needed, etc.)
- RESOURCES PROVIDED BY STATE = STATE BUDGETARY FUNDING + STATE SCHOLARSHIPS
- NON-STATE RESOURCES = STUDENT/FAMILY CONTRIBUTION + OTHER SCHOLARSHIPS + ESTIMATED WORK INCOME

We divide students into 5 income groups:(A) \$0 – \$30,000 (B) \$30,001 – \$48,000 (C) \$48,001 – \$75,000 (D) \$75,001 – \$110,000 and (E) \$110,000+

We calculate both costs and resources for both full-time and part-time students for each income group.

**MODEL COST** = Additional state resources necessary for all students (part-time and full-time) at each income level.

For the “tuition-free” model, we estimated the additional state funding needed to cover the costs of tuition and fees for all students, at either the first-dollar or last-dollar model. The first-dollar model covers the full cost of tuition and fees. Any student grants or scholarships would allow the student to cover costs of living. The last-dollar model fills in for the remaining amount of tuition and fees after accounting for the value of grants or scholarships.

For the “debt-free” model, we estimated the additional state funding needed to cover the costs of loans taken out by students. Our models do not account for any shifts in student enrollment but note those impacts as “considerations”.

# Appendix A: Funding Model Methodology

**PART-TIME STUDENTS:** We estimate tuition and fee costs for part-time students at ½ the full-time costs.

**ESTIMATED WORK INCOME:** We estimate students work 12.5 hours per week. We base the work income on a minimum wage of \$11/hour in 2018.

**CHILD CARE COSTS:** According to [National Center on Education Statistics \(NCES\) data](#), 11.2% of 2015–16 bachelor's degree recipients had a dependent child under age 12. Our model calculates child care costs by blending the estimated costs of the regional childcare costs for 0–5-year-old(s) from the [MIT Living Wage Calculator](#) with data from the [Mass. 21st Century Learning Center Program](#) for 5–12-year-old(s).

**COST OF LIVING:** For the estimated 88.8% of students with no children, we determine the cost of living for a single student without children. We determine the cost of living for a single person by county from the [MIT Living Wage Calculator](#). For the estimated 11.2% of students with children, we determine the cost of living for a person with one dependent by county from the [MIT Living Wage Calculator](#).

## DATA SOURCES:

- Data on full-time and part-time enrollment by institution, income level, and the average expected family contribution and scholarship income received are from the Mass. Department of Higher Education.
- Data on student enrollment by [race and gender](#) are from the Mass. Department of Higher Education.
- Data on student enrollment by race and gender for UMass are from the [UMass Student Profile](#) for Fall 2017.
- Data on full-time 2016–17 bachelor's degree recipients who borrowed to finance their undergraduate education is from the [National Center on Education Statistics](#).
- Data on [tuition and fees](#) by institution are from the Mass. Department of Higher Education.
- Data on cost-estimates per county are from the [MIT Living Wage Calculator](#).
- Data on 2015–16 bachelor's degree recipients with a dependent child under age 12 are from the [National Center on Education Statistics](#).
- Data on child care costs for kids between the ages of 5–12 are from a Mass. Department of Elementary and Secondary Education [21st Century Learning Program Report](#).
- Data on voting polling is from a poll of Massachusetts registered voters conducted December 8–20, 2020 by [The MassINC Polling Group](#).

# Appendix B: Impacted Students Methodology

According to National Center for Education Statistics (NCES) data, the following percentages are of 2016-17 first-time bachelor's degree recipients who borrowed to finance their undergraduate education:

- Female- 70.3%
- Male- 63.7%
- Asian- 45.4%
- Black- 85.9%
- Hispanic- 69.7%
- White- 66.8%
- Other or Two or more race- 70.4%
- Graduated from public 2-year college- 71.1%
- Graduated from public 4-year college- 64.1%

Our model assumes Massachusetts trends are similar to national trends and graduates from the 2016-17 school year graduated with similar debt rates of those graduates from the 2017-18 school year. Our model also assumes students who take out loans graduate with debt. Lastly, our model assumes part-time students are taking out at half the rate as full-time students.

For estimates of student borrowers by race/ethnicity and gender, we multiplied national debt rates by enrollment in public colleges and universities in Massachusetts. This was used to estimate the number of students who graduated with debt in State Universities, Community Colleges, and the University of Massachusetts systems. We estimate the number of students who graduated with debt may have been positively impacted if Option 2 had been in place during their education, thus preventing them from graduating with debt. See formula below.

IMPACTED STUDENT FOR DEMOGRAPHIC GROUP = ENROLLMENT IN MASSACHUSETTS x NATIONAL RATE GRADUATING WITH DEBT



# Endnotes

[1] Mass Inc. Polling Group. January 2021. <https://www.massincpolling.com/the-topline/state-budget-poll>

[2] MassBudget analysis of tuition and fees for years FY 2001–2020 and state funding to higher education for years FY 2001–2020. See MassBudget's Budget Browser <https://massbudget.org/budget-browser/>  
Tuition and fee data provided by Mass. Department of Higher Education <https://www.mass.edu/datacenter/tuition/AppendixTuitionFeesWeight7.asp>

[3] MassBudget analysis of budget data. See also MassBudget's Budget Brower <https://massbudget.org/budget-browser/>

[4] College Insight. Generated table of “Student Debt of Graduating Seniors”, variables: National Average Debt, National Percentage of Graduates Borrowing, Massachusetts Average Debt, and Massachusetts Percentage of Graduates Borrowing. Adjusted for inflation. <https://college-insight.org/topics/student-debt-of-graduating-seniors/1>

[5] Michael Mitchell, Michael Leachman, & Matt Saenz. “State Higher Education Funding Cuts Have Pushed Costs to Students, Worsened Inequality”. Center on Budget and Policy Priorities. October 2019. <https://www.cbpp.org/research/state-budget-and-tax/state-higher-education-funding-cuts-have-pushed-costs-to-students>

[6] Dr. Bahar Akman Imboden. "Equity in Higher Education: A Promise Unfulfilled But Still Achievable". The Hildreth Institute. June 2020. <https://hildrethinstitute.org/wp-content/uploads/2020/10/HI-Equity-in-Higher-Education-Final-1.pdf> Pg. 11

[7] Dan Clawson & Max Page. "The Future of Higher Education". Routledge, 2001.Pg.51

[8] MassBudget analysis of FY 2018 enrollment of full-time and part-time students at all public community colleges in Massachusetts. For further discussion see Appendix B: Impacted Students Methodology

[9] MassBudget analysis of FY 2018 enrollment of full-time and part-time students and tuition and fees at public community colleges in Massachusetts. For further discussion see Appendix A: Funding Model Methodology

[10] MassBudget analysis of FY 2018 enrollment of full-time and part-time students at all public colleges and universities in Massachusetts. For further discussion see Appendix B: Impacted Students Methodology

[11] MassBudget analysis of FY 2018 enrollment of full-time and part-time students and tuition and fees at all public colleges and universities in Massachusetts. For further discussion see Appendix A: Funding Model Methodology

[12] Dr. Bahar Akman Imboden. "Equity in Higher Education: A Promise Unfulfilled But Still Achievable". The Hildreth Institute. June 2020. <https://hildrethinstitute.org/wp-content/uploads/2020/10/HI-Equity-in-Higher-Education-Final-1.pdf>

[13] MassBudget analysis of FY 2018 enrollment of full-time and part-time students at all public community colleges in Massachusetts. For further discussion see Appendix B: Impacted Students Methodology

[14] MassBudget analysis of FY 2018 enrollment of full-time and part-time students at all public community colleges in Massachusetts, cost of living, and aid. For further discussion see Appendix A: Funding Model Methodology

[15] MassBudget analysis of FY 2018 enrollment of full-time and part-time students at all public colleges and universities in Massachusetts. For further discussion see Appendix B: Impacted Students Methodology

[16] MassBudget analysis of FY 2018 enrollment of full-time and part-time students at all public colleges and universities in Massachusetts, cost of living, and aid. For further discussion see Appendix A: Funding Model Methodology