

AFFORDABLE COLLEGE TUITION

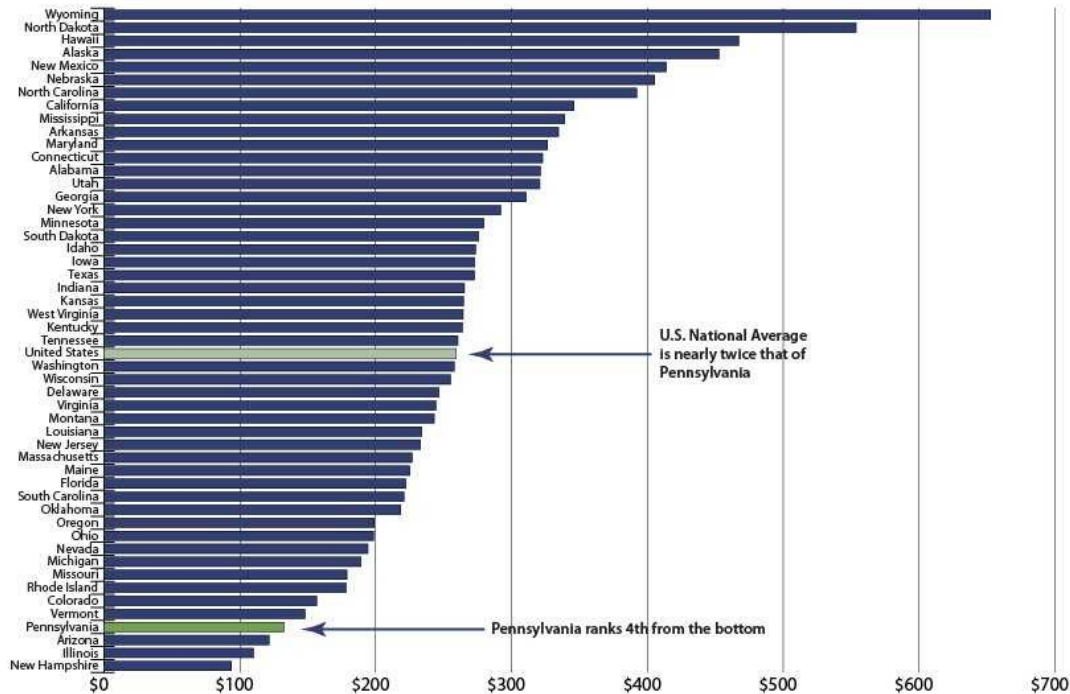
IN BRIEF

- Pennsylvania ranks 47th out of 50 states for per capita investment in higher education. This results in high tuition which makes college unaffordable for many working families and crippling debt for many students. As a result, Pennsylvania ranks 40th for the share of adults ages 25-64 with an education beyond a high school degree.
- The PA Promise, introduced in the Senate (SB 1111) and the House (HB 2444), was based on a proposal that would:
 - provide two years of tuition and fees for any high school graduate enrolled full-time at one of Pennsylvania's fourteen community colleges,
 - cover four years of tuition and fees for high school graduates with a family income of less than \$110,000/year to attend one of the fourteen State System of Higher Education schools,
 - provide four years of grants from \$2,000 up to \$11,000 to students who attend a state-related university in Pennsylvania, and
 - provide grants to adults without a college degree who have a family income of less than \$110,000 a year for accredited work-force training programs.

THE PROBLEM

Pennsylvania ranks 47th out of 50 states for per capita investment in higher education (see chart). This results in high tuition which makes college unaffordable for many working families and crippling debt for many students.

State Higher Education Investment Per Capita, 2017



Note: Per Capita estimates based on July 2016 population estimates from the U.S. Bureau of the Census
Source: Pennsylvania Budget and Policy Center based on University of Illinois Grapevine data base Table 4, online at <https://education.illinoisstate.edu/g>

Partly because of a lack of affordable, accessible higher education, Pennsylvania ranks 40th for the share of adults ages 25-64 with an education beyond a high school degree. In over half of Pennsylvania counties (35), almost all of them rural, the share of adults with more than a high school degree is lower than in any of the fifty states.¹

Underinvestment in higher education has dire consequences for our young people, the quality of our workforce, and our economy.

THE SOLUTION

The PA Promise, introduced in the Senate (SB 1111) and the House (HB 2444), was based on [a proposal](#) developed by the Keystone Research Center and the Pennsylvania Budget and Policy Center. The proposal pulls from the best qualities of tuition assistance programs in Tennessee, New York, Oregon, and from Senator Bernie Sanders's proposal.

The PA Promise would make college more accessible and affordable in a number of ways.

First, it would provide two years of tuition and fees for any high school graduate enrolled full-time at one of Pennsylvania's fourteen community colleges, regardless of family income.

Second, it would cover four years of tuition and fees for recent high school graduates with a family income of less than \$110,000/year who are accepted into one of the 14 State System of Higher Education schools.

Third, the plan would provide four years of grants from \$2,000 up to \$11,000 based on family income, for students who attend a state-related university in Pennsylvania—Penn State, University of Pittsburgh, Temple or Lincoln. Tuition is more expensive at these public higher ed institutions so the plan would provide tuition assistance on the level of the state system costs.

And last, the plan would provide grants to adults without a college degree who have a family income of less than \$110,000 a year. Funding could be used towards earning a degree or getting workforce training that leads to an industry-recognized credential. The goal of this funding is to give adults without a college degree access to higher education and workforce training to help them move towards a higher paying career down the road. (For more on this issue, see the We The People – Pennsylvania brief on providing grants for job training/apprenticeship programs closely tied to jobs that pay good wages.)

The PA Promise is what is called a last dollar proposal, which means students are required to seek and take existing federal and state grants offered to them. The PA Promise funding will kick in after students accept existing federal and state aid grants.

The proposed PA Promise legislation would provide funding for room and board for students with family incomes of less than \$48,000/year. Considering room and board is the fastest growing college cost, this will help make college more affordable to low-income students.

BACKGROUND

U.S. News and World Report ranks Pennsylvania worst in the nation when it comes to higher education. Pennsylvania ranks so low because of the high cost of college in the state and because of the high levels of debt at graduation for Pennsylvania students.² Pennsylvania ranks third highest for in-state tuition and fees of public four-year colleges and universities³, and number one for student debt with 69% of graduates leaving with an average debt of \$35,185 in 2016.⁴

High tuition and other costs reduce the number of working class students who attend college. At Pennsylvania's 14 state system universities, 42% of students attending in 1999-2003 came from households with bottom-60% incomes; a decade later, that share had dropped to 35%.⁵ State-related universities (Penn State, Temple, Lincoln, and University of Pittsburgh) experienced an even bigger decline in the share of families from bottom 60% families from a lower starting point.

Study after study has shown that lower educational attainment translates into lower wages and income for individuals and slower economic growth for regions.⁶ Stronger investment in higher education is good for our young people, good for our communities and good for our economy.

ADDITIONAL RESOURCES

- Keystone Research Center/Pennsylvania Budget and Policy Center's report on *Pennsylvania's Great Working Class Colleges*:
http://www.pennbpc.org/sites/pennbpc.org/files/KRC_PBPC_EnginesofMobility.pdf
- KRC/PBPC's report *At Students' Expense: Rising Costs Threaten Pennsylvania Public Universities' Role in Upward Mobility*:
http://www.pennbpc.org/sites/default/files/20170608_RisingCostsPaper.pdf
- KRC/PBPC's report on *Pennsylvania's Higher Education at a Crossroads: To Boost Opportunity and Growth, Pennsylvania Needs to Invest in Higher Education*:
https://www.pennbpc.org/sites/default/files/PA_Higher_Education_at_a_CrossroadsFINAL.pdf
- KRC/PBPC's report on the Pennsylvania Promise plan, *Pennsylvania Promise: Making College Affordable and Securing Pennsylvania's Economic Future*:
https://www.pennbpc.org/sites/default/files/KRC_PBPC_PAPromise_Final.pdf
- Senate Bill 1111:
<http://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?year=2017&sind=0&body=S&type=B&bn=1111>
- House Bill 2444:
<http://www.legis.state.pa.us/cfdocs/billInfo/billInfo.cfm?sYear=2017&sInd=0&body=H&type=B&bn=2444>
- PA Promise website: <http://www.papromise.org/>

END NOTES

¹ Eugene Henninger-Voss and Stephen Herzenberg. "Pennsylvania Higher Education at a Crossroads: To Boost Opportunity and Growth, Pennsylvania Needs to Invest in Higher Education." Keystone Research Center and Pennsylvania Budget and Policy Center, August 18, 2017. Online at https://www.pennbpc.org/sites/default/files/PA_Higher_Education_at_a_CrossroadsFINAL.pdf.

² See Best States for Higher Education, U.S. News and World Report, <https://www.usnews.com/news/best-states/rankings/education/higher-education>.

³ College Board

⁴ Lendedu report, online at <https://lendedu.com/blog/student-loan-debt-statistics-by-school-by-state-2017>.

⁵ Keystone Research Center analysis of *Mobility Report Cards: The Role of Colleges in Intergenerational Mobility*. Online at <http://www.equality-of-opportunity.org/college/>.

⁶ For more discussion and references, see Stephen Herzenberg, Mark Price and Michael Wood. "A Must Have for Education, Part Two: Investment in Higher Education for Growth and Opportunity." Keystone Research Center and Pennsylvania Budget and Policy Center, October 2014. Online at <https://www.keystoneresearch.org/publications/research/investment-higher-education>.