

C1 – Overloading the System

C1A – The Workforce

IMPACT: Wages decline.

Malcolm Harris, editor at The New Inquiry – January 18, 2015

Higher education is a win-win, but over time the split of the proceeds has changed. **Worker productivity has increased, thanks to all this human-capital accumulation, but wages haven't followed.** Real median earnings have barely moved for college graduates since the mid-1980s, and since 1979 the earnings of those with two-year degrees have decreased more than 20 percent. After-tax corporate profits, on the other hand, have hit an all-time high, passing 10 percent of GDP. Some people have reaped the benefits of the increased national investment in human capital over the recent decades, but not college-educated workers; labor compensation as percent of GDP has crashed to record lows. **The more educated American workers are in aggregate, the smaller their slice of the pie gets.** One of the ways we talk about the value of education is in terms of a student's future competitiveness. It sounds as if it should correlate directly with wages, but they're competing against other workers like them. And **from a worker's perspective, a rising educational tide keeps wages under control for all boats. More schooling doesn't necessarily mean better jobs, it means more competition for the same set of jobs.** The so-called skills gap is a myth; if employers needed educated labor so badly, they would pay like it. **Instead, the costs of training more productive workers have been passed to the kids who want to be them, while the profits go to employers and shareholders.** For the state to assume some of those costs for some of those students doesn't solve anyone's problems. Rather, it's another boon for the ownership class.

C1B – The School

INHERENCY: Community colleges educate the most with the least.

Jeffrey Selingo, editor at large for the *Chronicle of Higher Education*, *College (Un)bound* – 2013, p. 63

Among public institutions, community colleges like Wake Technical have been hit the hardest. With more than eight million students, community colleges make up the largest type of college in the United States, although they remain almost invisible to the media and the public. They educate their students on about a third of the resources of public four-year colleges. Their programs tend to be closely aligned to the local and regional economy, and they offer programs that can quickly train people for new jobs. In other words, they are key to filling the skills gap that keeps millions of jobs begging for workers.

LINK: Subsidizing tuition just displaces other tuition revenue.

Judith Scott-Clayton and Thomas Bailey, Community College Research Center at Columbia University Teachers College

The White House estimates that the free tuition program would cost \$6 billion a year. But that money would simply replace the tuition students were already paying, not increase colleges' revenue. States would be required to pay for one-quarter of this tuition subsidy. Some may raise that money by decreasing the direct subsidies they give colleges now, which currently cover approximately two-thirds of the cost of educating each student.

LINK: Reverse transfers are more prevalent.

Jeffrey Selingo, editor at large for the *Chronicle of Higher Education*, *College (Un)bound* – 2013, p. 110-111

Jaimes' circuitous route to a four-year degree is a familiar one at Valencia. Four in five students transfer to the University of Central Florida. In fact, anyone who graduates from Valencia is automatically accepted to Central Florida. Such guaranteed transfer paths are becoming more and more common among public colleges. Even without them, students are carving out their own unique trail to a credential. One in three students today transfers from one college to another before earning a degree. About a quarter of them transfer more than once, and the same percentage cross state lines when they do. Students switching colleges, of course, is not a new phenomenon. What is new is that their behavior no longer follows conventional wisdom. While those who transfer are typically in their second year of college, about 22 percent make the move as late as their fourth or fifth year. And, contrary to popular wisdom, students today are more likely to move from a four-year college to a two-year one rather than the other way around.² Why would students on the path to a four-year degree stop and turn around? The reasons for these so-called reverse transfers are not always clear, but academics and finances certainly play a role.

For students underprepared for a four-year college, courses at a community college provide a good refresher in a lower risk environment. With an average price around \$3,000 a year, community colleges remain a much cheaper alternative to a public four-year college where tuition rates average more than \$8,000 annually, a cost not including room and board. The difference in price is why students from even affluent families are increasingly choosing community colleges over four-year schools from the start. A survey by Sallie Mae, the student loan company, found that 23 percent of students from households earning \$100,000 or more attended community colleges in 2011–12, up from 12 percent three years earlier.

LINK: Free college acts a placeholder for the unsure, Germany proves.

Nikki McArthur, Yale University – 2003

Free higher education attracts not only students who are enthusiastic about education but also students who are drawn to college because they are unable to figure out what else to do with themselves. Thus, colleges in Germany became placeholders for students who were largely uninterested in receiving an education. This led to overcrowded lecture halls and an environment in which it was impossible for students to have any personal contact with their professors.

LINK: The 'college for all' mindset means no one is discouraged.

Richard Arum, professor of sociology and education at New York University, and Josipa Roksa, assistant professor of sociology at the University of Virginia, *Academically Adrift* – 2011, p. 54-55

Evidence of limited learning and persistent inequality should give pause to the recent emphasis on “college for all” policies. State and federal policies have increasingly been built around the premise of expanding postsecondary educational access until it becomes universal for future generations of U.S. citizens. As President Barack Obama asserted in his first major speech to Congress, “every American will need to get more than a high school diploma,” and “we will provide the support necessary for you to complete college.”⁶³ **This ideological commitment virtually to unlimited educational opportunity has been widely adopted and embraced throughout our education system.** James Rosenbaum’s research on high school counselors, for example, provides an illuminating account of how a “college for all” ideology has come to permeate schooling in this country. Rosenbaum notes that **whereas high school counselors once acted as “gatekeepers”—advising certain students that, given their academic performance and interests, vocational programs were possibly a more appropriate choice than college—counselors today “do not have to force students to make tough decisions; they can encourage everyone to attend college.”**⁶⁴ According to Rosenbaum, **“students get no concrete information about their best options from the current situation or about the levels of achievement needed to reach their goals.”** Instead, they receive “motivational platitudes” that emphasize a “warm, fuzzy approach” focused on “personal growth.” Students are told: “to believe in themselves,” “put forth more effort,” or “establish themselves a little more as a person.”⁶⁵ While some **counselors** work to steer students to more or less selective schools, **in general** they **have become reluctant to provide information that might in any way discourage students from enrolling in college.** For example, one counselor in Rosenbaum’s study noted that although he believed a certain student was “not academically qualified ... I’ve urged him to send in the application anyway. You know, there’s no harm.”⁶⁶ In recent decades, 30 percent of students with C grades in high school and 15 percent with grade point averages of C minus or lower have been admitted into four-year colleges.

IMPACT: Colleges have a perverse incentive to maintain enrollment.

Scott Shackford, Reason Foundation – January 9, 2015

So right off the bat I see a huge incentive for further grade inflation for community colleges. Remember, of course, the free money getting tossed around is going to college faculty and administrators, not to students. It’s not the students being subsidized, it’s the college. So **they’re going to do everything in their power to keep these students attending, even if it results in students leaving college with associate’s degrees they can barely read, which will subsequently devalue the degrees in the eyes of employers.**

IMPACT: Students need flexibility and guidance.

David Shipley, Bloomberg – January 12, 2015

So spending another \$80 billion in federal money on tuition won’t solve the problem. It’s true that free tuition would allow low-income students to devote their Pell grant money to food and living expenses, and that could make it easier to spend less time working and more on schoolwork. But **what many students need more are programs that allow them the flexibility to keep working or raising a family -- or both -- while going to school. They also need more support and counseling to keep them on track for graduation.**

IMPACT: Disinvests from the four-year institutions.

Susan Svrluga, Washington Post – January 14, 2015

One of the program’s goals is to break down the financial barriers that keep many students from pursuing a useful certificate or degree. Two free years at a community college supposedly will make a four-year bachelor’s degree more affordable. **Yet four-year colleges and universities depend on larger classes taught to first and second year students to keep cost down. These larger introductory classes are the flip side of the smaller and more teacher-intensive upper level classes of the final two years. The upper division courses are the ones that truly prepare students for a job market that prizes advanced training in technical and non-technical fields alike. If the proportion of freshmen and**

sophomores at four-year universities falls, this could push up the cost of a four-year degree for students who go directly to places like Ohio State or Oregon. Welcome to the “law of unintended consequences.”

IMPACT: State disinvestment is what is harmful in the status quo.

Jeffrey Selingo, editor at large for the *Chronicle of Higher Education*, *College (Un)bound* – 2013, p. 64 b

Across the country, state disinvestment in higher education has been swift and has largely gone unnoticed by the public. **With state lawmakers unlikely to return to paying for the majority of a resident’s college education, public institutions face a choice: Significantly cut costs (and give up part of their mission to serve the needs of the state) or continue to raise tuition and price their education out of the reach of some residents.** If the current trends continue, by 2022 states will begin getting out of the business of supporting public higher education, leaving their colleges to scour the globe looking for a shrinking share of full-paying students.⁸

C2 – Passing the Buck

LINK: Higher education spending trades with other budget priorities.

David Tandberg, Pennsylvania State University – 2007

Garand and Hendrick (1991), on the other hand, focused specifically on state expenditure trade-offs. The authors indicate that at the time of their writing, no one had concentrated his or her research on state level expenditure trade-offs. Also, a recent search of published articles did not reveal that any additional work concerning trade-offs had been completed since Garand and Hendrick's publication. Garand and Hendrick theorized that **there are key structural reasons that indicate that spending decisions in states may be much more of a zero-sum game than spending decisions at the national level, meaning that trade-offs would occur more readily. States (except for Vermont) are required to balance their budgets, and many states face legal or constitutional restrictions on increasing revenues. Even those that do not face such restrictions have a difficult time generating additional revenue for political reasons, as most states are fairly averse to raising taxes. Therefore, shifts in policy priorities at the state level may necessitate the withdrawal of funding from one or more spending areas to increase spending in another area.**

The idea that elected officials would take from other budgetary areas to increase funding for higher education is a new idea. However, there may be good theoretical reasons for state officials to take such actions. As indicated earlier, **higher education is often a valuable investment that can provide positive economic returns to states.** Numerous studies conducted by academics, institutions, and the states themselves have shown the substantial economic impact higher education institutions can have. Studies have generally shown that states receive a significant return on every dollar they invest in higher education (Bowen, 1997; Cohen & Noll, 1998; Psacharopoulos & Patrinos, 2004; Tripp Umbach, 2004). **Armed with this knowledge, elected officials may be willing to divert funds from areas such as public assistance, transportation, and K-12 education in order to fund higher education.** When the caseload for public assistance or K-12 education does not require an increase, it may be tempting to divert or limit their appropriations in favor of investing in higher education with the hope of a significant return. Of course, states are always able to defer highway maintenance. However, when the caseload is too high in the other areas or the economy is weak, policymakers will be forced to fund the areas that cannot sustain themselves, and/or are caseload-driven; therefore, higher education funding is likely to be cut, or at best receive minimal increases. This behavior of fair weather investing and rainy day saving at the state level appears to mimic the behavior of individuals and families. When people have discretionary funds they often invest, but when the budget is tight, they often avoid investing in order to take care of necessities. There may even be times when states will borrow monies from other areas to increase higher education funding, even though the caseloads from the other areas have not diminished. **States may do this because they are convinced that that there will be a future payoff, such as a revitalized economy that will be spurred by higher education growth. Such circumstances, however, are most likely rare.**

IMPACT: K-12 education is crucial.

Michael Leachman and Chris Mai, Center for Budget and Policy Priorities – May 20, 2014

The cuts undermine education reform and hinder school districts' ability to deliver high-quality education, with long-term negative consequences for the nation's economic competitiveness. Many states and school districts have undertaken important school reform initiatives to prepare children better for the future, but deep funding cuts hamper their ability to implement many of these reforms. **At a time when producing workers with high-level technical and analytical skills is increasingly important to a country's prosperity, large cuts in funding for basic education threaten to undermine the nation's economic future.**