

Issue: VA Higher Education Funding

## Talking Points: Higher Education Funding

### College Costs are Up and State Support is Down.

Over the last 30 years, average annual tuition, fees, room and board increased from \$24,800 to \$48,510 for private, non-profit four-year colleges and from \$9,480 to \$21,370 for public four-year colleges (all in 2018 dollars). Average college costs grew eight times faster than average wages from 1989 to 2016. For the 2016-2017 academic year, overall state funding for two- and four-year public colleges was nearly \$9 billion below the level in 2008, adjusted for inflation.

### Virginia is No Exception.

Tuition at Virginia's public four-year colleges increased 51.9% from 2008 to 2017, while Virginia's funding per student for higher education decreased 13.8%. Public colleges in Virginia were the 5<sup>th</sup> most expensive in the country in 2012, while the state ranked 37<sup>th</sup> among all states in funding per full-time equivalent student in the 2016-2017 academic year.

### Federal Student Loans Have Filled the Gap at an Unsustainable Level and Aid is Inadequate.

In the class of 2018, as many as 69% of college students took out student loans averaging a total of \$29,800 at graduation. Also, 14% of parents took out additional loans averaging \$35,600. The current total of student loan debt is approximately \$1.5 trillion, exceeding automobile or credit card debt and trailing only mortgage debt. Federal Pell grants for those who qualify have not kept pace with cost increases; they now provide only 29% of the average costs as compared to 79% in 1975.

### States and Municipalities Have Begun to Respond.

Community-based "promise programs", beginning in 2005, provide complete tuition and fee funding for students from the community—usually after other financial aid is considered. Beginning with Tennessee in 2014, 16 states have adopted promise programs to provide full tuition coverage, usually for two-year community colleges. But Virginia has done little.

### Democrats Float Ideas for Free Public College and "Debt Free" College.

Led by the presidential campaigns of Bernie Sanders in 2016 and 2020 and Elizabeth Warren in 2020, Democrats have proposed several variations of free public college, both two-year and four-year, including some level of living expenses. Some would also forgive a portion of outstanding student loans. Rep. Brian Schatz and Rep. Mark Pocan have introduced the Debt Free College Act to assist students in paying for all costs of public college, including tuition, fees, books, room, board, transportation and living expenses, with funding shared by the Federal government and the states.