

Planning and Delivery of Free Community College in Massachusetts

Original submission December 15, 2023; revision December 21 2023



Summary of Findings

Background

Requested by the Massachusetts Legislature, this draft report provides an initial perspective on the potential design, cost, and return on investment of a free community college program in Massachusetts. This report has been prepared by the Massachusetts Association of Community Colleges (MACC), which represents and supports the Commonwealth's 15 community colleges, a critical pillar of Massachusetts' higher education system. These colleges collectively serve over 90,000 students per year across all regions of the Commonwealth, from the Berkshires to the North Shore, from the Boston metro area to the Cape and Islands. They play an essential role in fostering education affordability and accessibility, and in promoting the Commonwealth's aims of economic prosperity and racial equity.

Improving the accessibility and affordability of community college has been on the Massachusetts legislative agenda for some time. This session, Senate President Karen Spilka stated that it was "beyond time" for universal free community college in Massachusetts. Building on existing aid programs, Governor Maura Healey announced the MassReconnect¹ program followed by House Speaker Ronald Mariano's commitment to the program's inclusion in the House's FY24 budget proposal. The Governor also announced a free community college nursing scholarship program in August, alongside final passage of budget language aiming to expand free community college by 2024. Additional financial aid programs have since been added to support community college financial accessibility, including an expansion of MASSGrant Plus.

Collectively, Massachusetts' efforts to make higher education more accessible and affordable for residents represent strong progress. For most low-income² individuals attending community college in Massachusetts, tuition and fees are covered or nearly covered by existing state and federal aid. However, there remain coverage gaps for certain student populations³, and low-income students continue to face financial barriers beyond tuition and fees to attending and completing community college. Additionally, the plethora of discrete programs and lack of clarity around future funding creates complexity and uncertainty for students and institutions that a more expansive program could address. To explore expanding support for community college students and institutions, as part of its FY24 budget request, the Massachusetts Legislature requested this report summarizing recommendations for a free community college program:

¹ MassReconnect supports Massachusetts residents aged 25 or older to earn a free degree or certificate from any of Massachusetts' public community colleges, with some eligibility limitations

² For the purposes of this report, "low-income" students are those who are full or partially eligible for Pell funding, with an adjusted gross income of less than ~\$70,000. Some stakeholders have expressed that students with somewhat higher incomes could also be considered low-income given the cost of living in some parts of the state.

³ This includes students under 25 who have an adjusted gross income of ~\$70,000 and higher. While these students do not generally qualify for aid such as Pell, this can be difficult to live on in Massachusetts.

1596-2432 (...) not less than \$1,000,000 shall be expended to the Massachusetts Association of Community Colleges for the analysis and development of a free community college system, including recommendations for guidelines, regulations and implementation measures; provided further, that not later than December 15, 2023, the association shall submit an initial report to the joint committee on higher education and the house and senate committee on ways and means outlining considerations and recommendations for the implementation of a free community college system; provided further, that not later than April 30, 2024, the association shall submit a final report to the joint committee on higher education and the house and senate committees on ways and means outlining final recommendations for the implementation of a free community college system (...)

The initial report outlined here, as requested, will be followed by a final report in April.

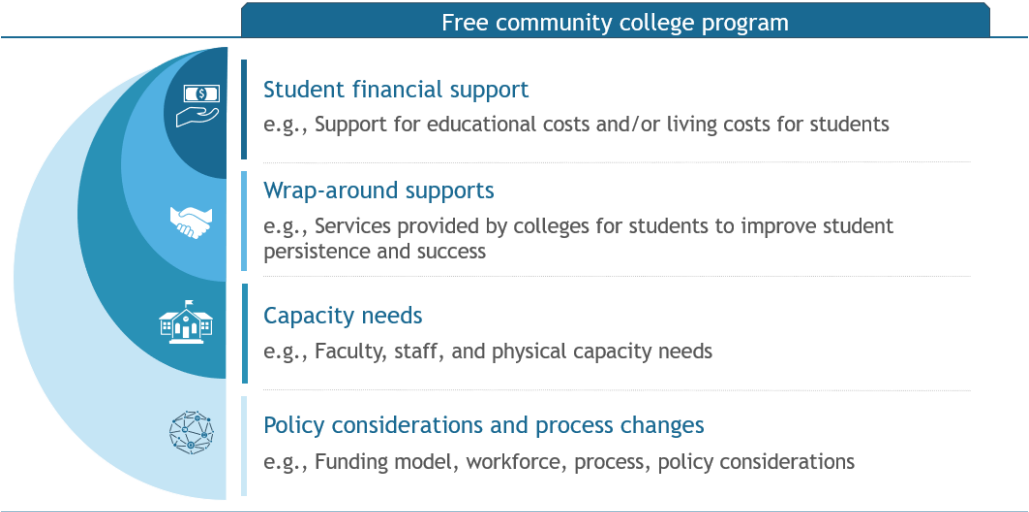
Findings

This initial report reflects the incoming stance of MACC on design and delivery considerations for universal free community college. These findings were informed by an Advisory Committee comprised of key community college stakeholders ([Appendix 1](#)); interviews with 30+ further individuals, some of whom were interviewed several times ([Appendix 2](#)); and over 40 benchmarks of free community college models in other states ([Appendix 3](#)).

While MACC serves community colleges, stewardship of tax dollars was an important value emphasized throughout the process and the proposed design aims to emphasize the principles of accessibility, universality, financial sustainability, and equity as core to this effort.

This report addresses the needs of a free community college model across four areas:

Exhibit i.1: Framework for a free community college program



Student financial support: Core to free community college is financial support for students to cover tuition and fees. Consultation suggests that a new free community college program should provide financial support to individuals of all ages and incomes.

Several financial support models were developed for this draft report to provide options for the Legislature to consider. A “**preferred**” model was put together based on majority stakeholder opinion. This is outlined below and is primarily distinguished from other models by its use of a living stipend for lower-income students (this model is sometimes referred to as ‘stipend for low-income students’ throughout the report). Two other models have also been put forward, representing important areas of stakeholder divergence – one is a lower-cost model based on an expansion of MassReconnect, and another is a higher-cost model that provides more expansive financial support for living expenses for lower-income students. More detail is outlined below and in the report.

Preferred model: Informed by extensive stakeholder input and the evidence emerging from benchmarks in other states, the preferred model puts forward that:

- All Massachusetts residents, inclusive of undocumented high school completers⁴, should be eligible for the program.
- Students benefitting from free community college should study a minimum of six credits per semester and maintain a minimum maintenance GPA of 2.0 to encourage persistence and to ensure that funds are going to those meaningfully engaged.⁵
- At a minimum, tuition and fees should be covered for all students. The “preferred” model also suggests covering books and supplies, as well as an additional living cost stipend for lower-income students for whom tuition and fees are already covered by other forms of aid. This additional stipend for living costs would address some of the significant financial barriers lower-income students face in completing community college.

Alternative models were also considered based on areas of stakeholder divergence, as discussed:

- **MassReconnect for all:** Some stakeholders suggested a lower cost model that would expand the age eligibility of MassReconnect, covering remaining tuition and fees for those students not already fully covered by other forms of aid and providing a modest stipend for books and supplies for all students. A challenge of this model would be that proportionally fewer program funds would go to Pell- or partially Pell-eligible students, who have the greatest financial need and face the

⁴ For purposes of this report, suggested eligible undocumented high school completers are those eligible for in-state tuition under the state’s new Tuition Equity Law: those who have attended at least three years at high school in Massachusetts, have graduated from high school or received the equivalent of a high school diploma in Massachusetts, and meet certain other eligibility requirements.

⁵ This could be taken as a yearly average or done per-semester – discussed in [‘Part 1: Design of a new free community college program’](#).

greatest number of obstacles in completing community college⁶. However, this model would still result in a universal free community college model that would provide enrollment uplifts to students of all income levels, leveraging new and existing funds (including new Pell aid brought in by net new students) to make community college free.

- **Living expenses for low-income students:** A significant number of stakeholders were inclined to provide a more generous cost of attendance-based stipend for fully Pell-eligible students. While this option would improve equity and student success by more comprehensively addressing financial barriers, it was not clear that the increased cost to fund this model would be outweighed by its impact on access and completion.

While making non-credit bearing classes free has not been incorporated into the cost of free community college directly, this has been costed separately and could be added to any of these models. Stakeholders emphasized that making non-credit bearing classes free would be an investment in increasing the skills of many segments of the Massachusetts population (including, importantly, immigrant populations), and that some of these classes often serve as a bridge to credit-bearing certifications.

Beyond student financial support, this report also makes recommendations regarding wrap-around supports, community college capacity, and policy considerations and process changes. These have been costed separately as options for the legislature, with costing being outlined *in addition* to the estimates in Figure i.2.

Wrap-around supports: Wrap-around supports are services delivered by colleges that help support students through to completion and can range from student advising to childcare services. Expanding these supports can ensure free community college leads to a significant uptick in completions, supporting the best possible return on investment for the Commonwealth. Stakeholders highlighted the existing SUCCESS program as a gold standard example in Massachusetts to leverage: SUCCESS provides funds to increase personnel capacity at community colleges and is designed to directly support students who are facing the most significant systemic barriers, delivering a 16-percentage point increase in persistence for those supported by the program.

To complement free community college, the Legislature should consider expanding SUCCESS,⁷ currently funded at \$14 million in the budget (FY23), through an additional injection of ~\$7-10 million annually to cover new students who meet the current SUCCESS eligibility criteria, or ~\$40-60 million annually to cover services for *all* students who attend at least part-time.

⁶ The cutoff for partially Pell-eligible individuals is ~\$70,000 adjusted gross income (AGI) for a family with two dependents; full Pell-eligible cutoff is ~\$40,000 AGI.

⁷ Supporting Urgent Community College Equity through Student Services. More information on SUCCESS can be found online [here](#).

Capacity needs: This report also includes discussion of three key areas of capacity consideration that should be considered to maximize the impact of free community college on student outcomes:

- **Faculty compensation:** Interviews suggest an increase in community college enrollment could necessitate additional faculty and/or course sections offered. Salary considerations are important to recruiting and retaining any incremental faculty to support these classes. Outside-in analysis suggests full-time Massachusetts community college faculty are paid less relative to peer states and to four-year college faculty in Massachusetts. This initial report recommends a salary survey as a next step to confirm these gaps, with a view to bolstering the competitiveness of Massachusetts community colleges as an employer.
- **Facilities:** Interviews suggest that the existing educational floorspace at Massachusetts community colleges may be sufficient to accommodate a surge in enrollment; however, there is a known backlog of maintenance and upgrades that should continue to be pursued as part of DCAMM's⁸ ongoing work. Beyond this, targeted investments in facilities could support important areas of workforce development.
- **Costs to colleges:** Estimates suggest variable costs at colleges (including costs of student support staff, maintenance, etc.) may eventually increase by an average of ~\$90 million annually⁹ due to a free community college program, largely due to increases in instructional and academic support staff needs. While some of this could be covered by the additional fees brought in by new students (which would largely be covered via the Commonwealth under a free community college program), the Legislature should bear in mind that baseline yearly appropriations may eventually be impacted.

Policy considerations and process changes: The Legislature could consider several policy and process changes to support the impact of free community college, including:

- **Funding model:** *Sustainability* of financing is a top priority. All stakeholders agreed a predictable and continuous source of funding is critical. When it comes to the funding source, benchmarks suggest that a free community college "trust fund" (as has been used in select other states) could be an effective model to ensure adequacy and predictability of funds. When it comes to predictability, all stakeholders emphasized the importance of joint accountability in setting tuition and fees under a free community college program, given its impact on overall program cost. This initial report outlines how other states set tuition and fees, with the intention of outlining a recommendation in the final report following further stakeholder consultation.

⁸ Division of Capital Asset Management & Maintenance

⁹ Adjusted for inflation

- **Process changes:** Increased enrollment levels resulting from a free community college program will likely require process changes across college support functions. Stakeholders have identified financial aid; application, enrollment, and course registration; and academic, transfer, and career advising as core areas of focus for these changes.

Impact estimates: High-level estimates suggest that a free community college program covering tuition, fees, books, and supplies for all and a middle-dollar living stipend targeted at those who are lower-income would increase community college enrollments by ~20% on average (an extra ~7,000 FTE per year¹⁰), completions by ~30% on average (an extra ~3,000 completions per year) and cost ~\$175 million in its first year, plateauing to a yearly average of ~\$170 million.¹¹ This is the cost of the student financial support component of the program, and does not include costing of other areas such as wrap-around supports (which are detailed below this table). These estimates may continue to be refined until the final report, as consultation continues:

	Cost area	Estimated annual cost
Educational costs	Tuition and fees	~\$80 million
	Books and supplies	~\$50 million
Living costs	Living stipend	~\$40 million
Total estimated cost (average, taken over FY25 to FY34)		~\$170 million¹²

Several key assumptions drive this figure, the most significant of which are the impact of an uplift in FAFSA completions due to the program and the proportion of current non-FAFSA filing students who would not qualify for other aid, once they file a FAFSA. Conservative assumptions have been used to not under-estimate cost (assumptions detailed in).

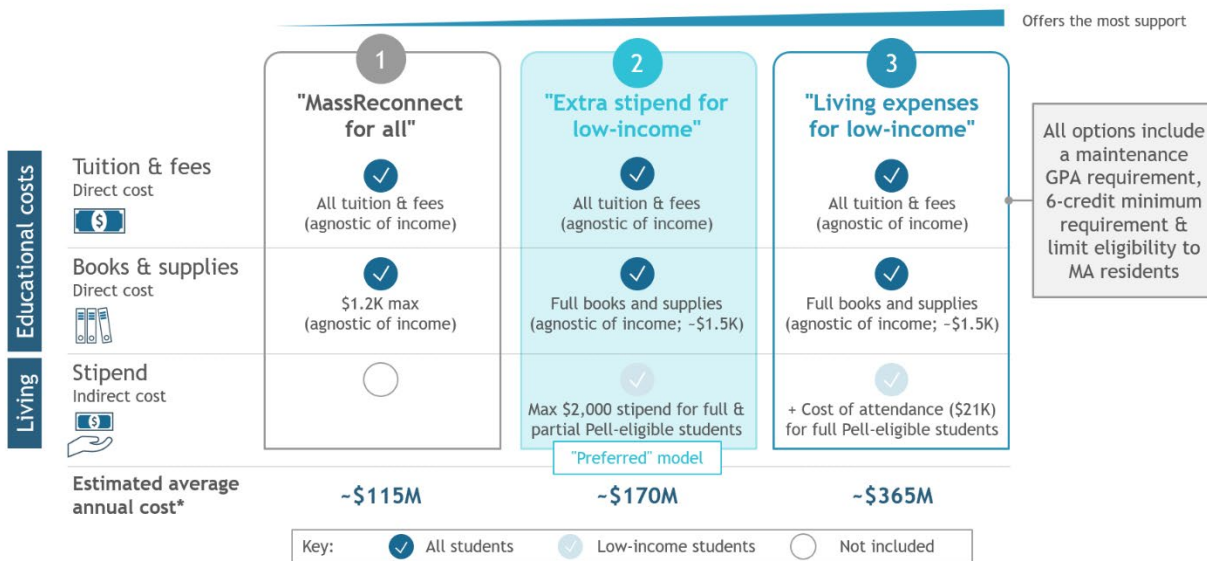
Costs of the alternative models put forward were also estimated, and are outlined on the next page:

¹⁰ FTE are full-time equivalent students – for example, two students taking half credit loads would be one FTE. Given the proportion of part-time students at community college, this number is much higher in headcount terms.

¹¹ Average taken between FY25 and FY34.

¹² Cost estimates do not exclude student aid that is currently provided through MassReconnect (\$20 million in FY24) and the nursing program (\$6 million for tuition, FY24) as final FY24 school year aid data are not yet available. If a new free community college was considered to be incremental to the 'preferred' programs, net cost would be lower (~\$145 million using FY24 costs). There is the possibility that MassReconnect could grow in cost in future years, making a further difference to the net cost. MASSGrant Plus Expansion was not considered in any of these estimates (~\$6 million) as it was announced during the course of drafting this report, but considering this program to be also incremental to that would reduce cost further.

Exhibit i.2: Coverage of costs for both 'preferred' model and alternative models



*Estimated average annual cost between FY25 and FY34. Cost is inclusive of programs such as MassReconnect and the free nursing program; net cost would subtract these costs from the total value.

Other areas of the report considered important to this program, including wrap-around supports and capacity investments were costed out at a very high level for the Legislature's consideration. These supplemental areas of investment, while not costed in the core proposal for free community college, could bolster student outcomes and support overall program success:

	Cost area	Estimated annual cost
Educational costs	Coverage of non-credit bearing courses <i>Workforce training and developmental courses</i>	~\$17 million
Student support	Expansion of SUCCESS to: - All students taking 6+ credits per semester - New students under current SUCCESS criteria	Extra ~\$40-60 million Extra ~\$7-10 million
Capacity needs	Anticipated increase in college variable costs required to facilitate larger student numbers	~\$90 million
	Expected added cost to raise full-time faculty salaries to peer benchmarks	~\$15 million

Facilities investments have not been estimated as these are not directly related to increased enrollments but are no less important in the greater community college landscape.

Overall, this program would deliver both direct and indirect benefits to the Commonwealth that justify this investment. Direct benefits include uplift in student enrollments and completions:

- **Enrollments:** Average ~7,000 additional FTE expected per year (increased from a projected baseline of ~35,000 FTE) – almost two-thirds of these students are anticipated to be Pell or partially Pell-eligible, bringing in some component of federal aid. Of note, some of these students could be expected to transfer to state universities and UMass campuses.
- **Completions:** Average ~3,000 additional completions expected per year (increased from a projected baseline of ~9,000).

Enrollment uplifts of low-income students will draw a co-investment by the federal government in the form of an average of ~\$32 million in additional federal funding per year, driven by an average annual uplift of ~4,200 FTE Pell-eligible students over the next ten years.

Incremental completions create individual **economic benefits for students:**

- Estimates suggest a conservative incremental **lifetime wage uplift** with a net present value of ~\$280 million¹³ from individuals who otherwise would not have completed a community college degree – this uplift may be even greater if a portion of graduates of this program go on to pursue bachelor’s and master’s degrees.
- This wage uplift could return an estimated yearly net present value of ~\$40 million¹⁴ in **tax benefits** directly to the Commonwealth.

There are further indirect benefits to the Commonwealth, including:

- **Workforce benefits:** Free community college can elevate the skills of the Massachusetts population and close gaps in adult education; fill labor shortages and skill gaps in priority areas across the state and in regions; and potentially attract and retain would-be workers to Massachusetts.
- **Closing socioeconomic and racial equity gaps:** Benefits from supporting living costs fall primarily on those who are middle- or low-income, which can help address the racial and socioeconomic outcomes opportunity gaps in Massachusetts by supporting academic achievement.

When it comes to implementation, short-term steps should focus on establishing a program management office, enabling close alignment between MACC and community colleges; scaling and managing capacity; and developing communications.

¹³ Assumes 10% discount on future earnings

¹⁴ Assumes 10% discount on future tax revenues

Successful delivery of this project would be transformational for students, community colleges, and the Commonwealth. Free community college provides the opportunity to close educational and socioeconomic gaps by bringing in and supporting lower-income individuals to achieve educational qualifications, bestow economic opportunity on individuals and families, and provide the Commonwealth with a more skilled population and greater long-term tax revenue. It also provides an important boost to community colleges, which are an invaluable pillar of the Commonwealth. The delivery of free community college is a valuable and worthwhile investment in the future of higher education in the Commonwealth.

Table of Contents

Summary of Findings	i
Background	i
Findings	ii
Introduction: Context and benchmarking	1
Case for change	1
Existing financial support at community colleges in Massachusetts.....	7
Benchmarking of free community college programs in other states	8
Part 1: Design of a new free community college program	15
Stakeholder consultation informing this work	15
Proposed design for a new free community college program.....	15
Estimated program impacts.....	21
Direct benefits.....	22
Indirect benefits	23
Program costs (student financial support)	25
Equity.....	26
Model comparison	27
Non-credit bearing courses.....	28
Lead indicators	29
Additional models considered, but not recommended: first-dollar and last-dollar models	30
Part 2: Wrap-around elements to support student success.....	32
Part 3: Capacity needs.....	36
Staff and faculty requirements.....	36
<i>Faculty recruitment and retention</i>	36
<i>Staff needs beyond faculty</i>	39
Facilities considerations	40
Impact of free community college on college variable costs.....	42
Part 4: Policy considerations and process changes.....	44
Considerations for a sustainable funding model.....	44
Management of price growth	48
Process changes.....	51
<i>Financial aid</i>	51

<i>Admissions, enrollment, and registration</i>	53
<i>Academic, career, and transfer advising</i>	54
Support for four-year colleges and the higher education ecosystem.....	55
Workforce considerations	58
Implementation and first steps	60
Implementation roadmap.....	60
Communications plan.....	62
<i>Audience</i>	62
<i>Messaging</i>	62
Conclusion	64
Appendix	66
Appendix 1: Advisory Committee	66
Appendix 2: Stakeholders engaged	68
Appendix 3: Benchmarking evidence	71
Other state free community college programs	71
Evidence regarding impact of design choices.....	74
Appendix 4: Program impact and financial analysis	77
Stipend sensitivity	77
Baseline model	77
Assumptions driving baseline and scenario models	79
Scenario model overviews	80
Scenario funding structures	83
Appendix 5: Descriptions of key organizations related to program execution	86

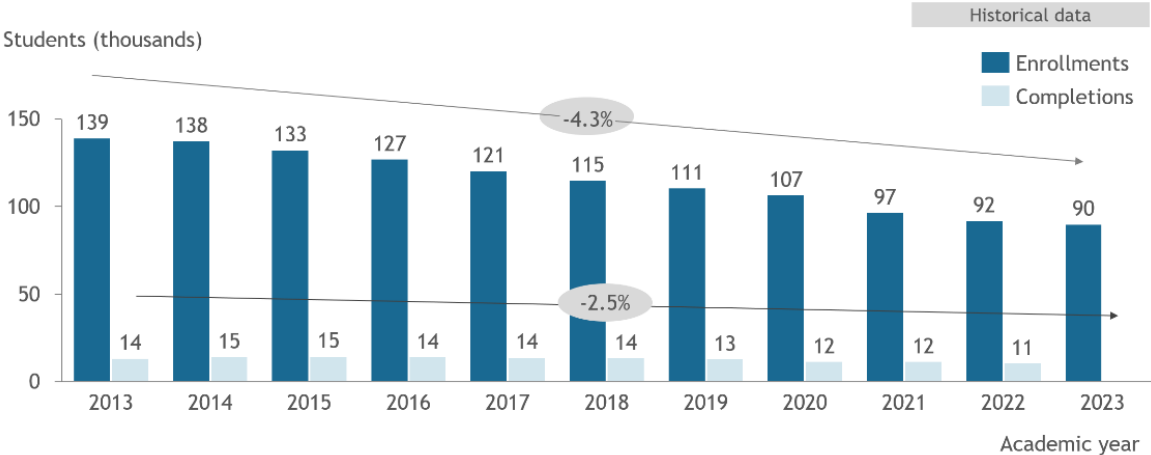
Introduction: Context and benchmarking

Case for change

Investing in free community college is of critical importance to Massachusetts. Community college builds skills and addresses socioeconomic gaps through access to education, while providing a return for the Commonwealth through workforce outcomes and economic opportunity for individuals and families. By removing financial barriers to access and investing in community colleges themselves, the Commonwealth can address existing trends impacting individual and economic success.

Support can help reverse historical trends of declining community college enrollments. **Over the ten years prior to 2023, enrollment at Massachusetts community colleges has declined on average ~4.5% per year.** This decline has impacted both individual and overall economic opportunity in the Commonwealth, given reduced numbers of residents with higher education credentials. For individuals, foregone higher education limits lifetime earning potential and socioeconomic outcomes. For the Commonwealth, reductions in higher education may lead to a decline in the educated workforce, which may have long-term impacts on the economic outlook of Massachusetts.

Exhibit 1.1: Massachusetts community college enrollments have historically declined ~4.5% each year, completions have declined more slowly at ~2.5%¹⁵



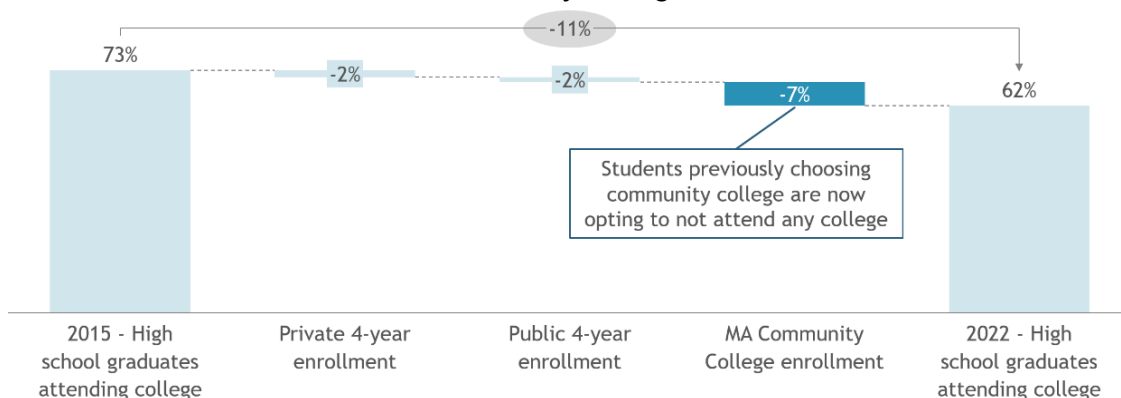
Recent investments have begun to reverse this trajectory, which can be further built on. After the introduction of MassReconnect and the free nursing scholarship in Fall 2023, preliminary data suggests community colleges have grown enrollment 8% year-on-

¹⁵ Massachusetts Department of Higher Education Data Center, [Annual enrollments by headcount and number of completions](#)

year.¹⁶ This shows that even when free community college is guaranteed to just a subsection of the college-going population, the impact can be powerful – expansion of free community college could have an even more significant impact on future outcomes for individuals and the Commonwealth.

Expansion of free community college could target an important population: high school students who are no longer choosing community college, with many now choosing not to go to college at all. Massachusetts community colleges have seen a 7% decline in enrollment from high school graduates between 2015 and 2022. This drop is relatively unique to community colleges: public and private four-year colleges in Massachusetts have maintained enrollment numbers or experienced only slight declines. Given declining birthrates, the absolute headcount of high school graduates is also projected to decrease in the coming decade, worsening total expected graduate numbers.¹⁷ Recent high school graduates have not been reached by the MassReconnect program and enrollments in this group may benefit from a free community college program more broadly accessible to this age range.

Exhibit 1.2: High school graduates are choosing no college instead of attending community college¹⁸



There have also been historical reductions in enrollments in the over 25 population; enrollments from this demographic declined nearly 4% between 2012 and 2020.¹⁹ In this age group, community colleges can be essential tools to upskill workers for new jobs or enable underemployed individuals to seek out greater opportunities. When it comes to first-time degree seekers in this age group, FY23 over-25 enrollments represented on average only 2% of the Massachusetts workforce who have completed high school (or equivalent) but have not yet achieved an associate degree, representing

¹⁶ Commonwealth of Massachusetts. (2023, December 12). [New Department of Higher Education data shows first boost to Massachusetts undergraduate enrollment in nearly a decade](#). Mass.gov.

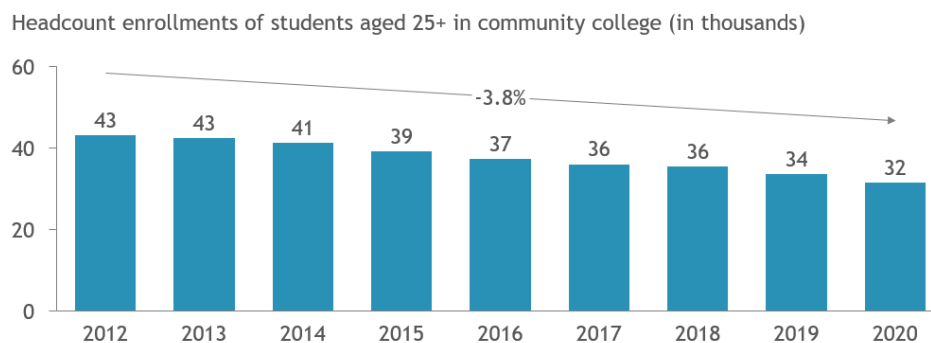
¹⁷ WICHE (2020). [Knocking at the College Door: Projections of High School Graduates](#).

¹⁸ Massachusetts Department of Elementary and Secondary Education

¹⁹ Massachusetts Department of Higher Education, [Undergraduate Enrollment Trends by Student Characteristics](#) [Dashboard, filtered for community college students 25+] – enrollments only measured for for-credit programs

significant room for further growth.²⁰ MassReconnect was targeted at this group specifically – its purported impact on enrollments speaks to the potential of an expanded free community college program to impact historical declines and increase educational attainment. Beyond first-time degree seekers, other individuals over 25 seeking out community college may have already completed a qualification and are interested in changing jobs or upskilling, a group that may be particularly valuable for the Commonwealth in expanding areas of high workforce need.

Exhibit 1.3: Credit-bearing enrollments in the over 25 group have declined ~4% annually since 2012²¹



Notably, racial equity and socioeconomic opportunity gaps highlight a significant problem facing the Commonwealth. According to a 2022 MassINC study, students of color – who make up ~55% of the population at Massachusetts community colleges – are less than half as likely as white students to obtain a college credential.^{22,23} Educational attainment is particularly important for improvements in racial equity: Black, Hispanic, and low-income students who earn an associate degree from a community college in Massachusetts experience employment gains 7-10% higher than their white peers. However, systemic barriers persist in higher education that limit the rate at which these individuals earn credentials. Research shows that comprehensive supports for students can close achievement gaps across racial, ethnic, and socioeconomic groups by providing financial assistance for cost-of-living expenses alongside coaching and mentorship.²⁴

²⁰ U.S. Census Bureau. "[EDUCATIONAL ATTAINMENT](#)." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1501, 2013-2022., Accessed on November 28, 2023.

²¹ Massachusetts Department of Higher Education, [Undergraduate Enrollment Trends by Student Characteristics](#) [Dashboard, filtered for community college students 25+] – enrollments only measured for for-credit programs

²² MassINC. (2022). [Sizing up Massachusetts' Looming Skilled-Worker Shortage](#).

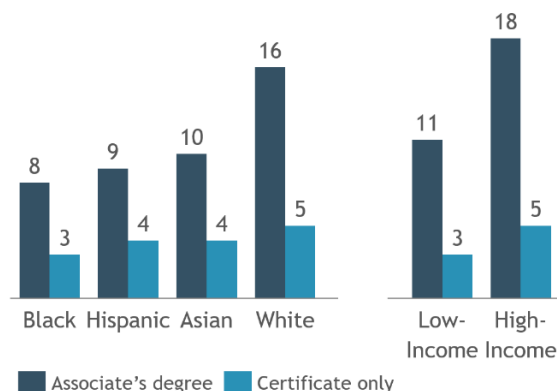
²³ Massachusetts Department of Higher Education

²⁴ Susan Scrivener et. al. (2015). [Doubling Graduation Rates: Three-Year Effects of CUNY's Accelerated Study in Associate Programs \(ASAP\) for Developmental Education Students](#). MDRC.

Exhibit 1.4: While historically underrepresented racial and socioeconomic groups are less likely to complete community college, completers see the greatest uplift in employment²⁵

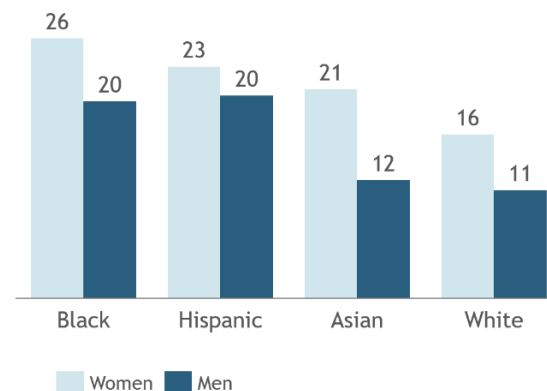
Underrepresented demographics face systemic hurdles that limit community college completion rates

Percent completions by demographic and degree type



Completers from these same groups see greater uplift to employment outcomes after graduation

Percentage point employment increase by race and gender



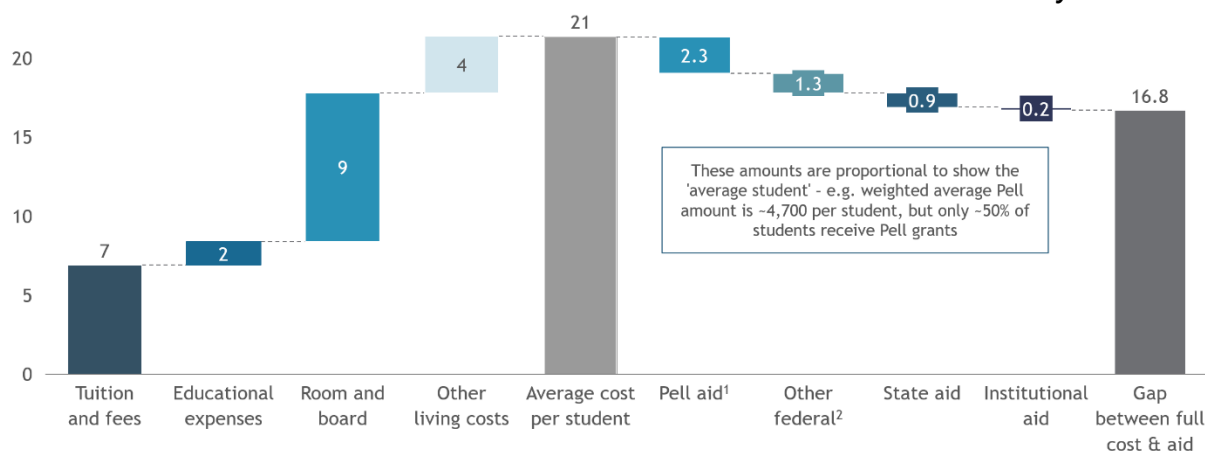
Financial access is one of the key barriers to accessing and completing community college, with Massachusetts students facing an average all-inclusive cost of attendance of over \$20,000 per year for a full-time credit load.²⁶ Over half of this cost comes from living expenses (including room and board, transportation, and personal expenses) which have risen due to inflation. However, program costs have also been rising; the weighted average cost of tuition and mandatory fees at Massachusetts community colleges has increased by 32% in the last decade.²⁷ Although there exist financial aid programs at the institutional, state, and federal levels, these resources typically only address direct educational costs and leave students to cover the gap for the remaining cost of attendance – this can be prohibitive, especially for the lowest-income students for whom a community college degree would be most impactful.

²⁵ MassINC. (2021). [Pathways to Economic Mobility](#).

²⁶ NCES College Navigator, [Tuition, Fees, and Estimated Student Expenses](#)

²⁷ Massachusetts Department of Higher Education, [Tuition and Mandatory Fees at Massachusetts Public Colleges and Universities](#)

Exhibit 1.5: Affordability challenges enrollment, with an average ~\$16,800 gap between the full cost of attendance and financial aid across the student body²⁸



Note: Cost of living data represents a weighted average figure of 2022-23 academic year costs reported by College Navigator. Aid figures are proportional to "average" student – e.g., ~48% of all students receive a Pell grant, so this is 48% of the weighted average value. Assumptions have been made about the proportion of average aid per student across non-Pell categories, based on first-time undergraduate proportions.

Access impacts student persistence, which has been declining in Massachusetts community colleges over the last decade.²⁹ This decline is concerning, particularly in the context of comparative trends. National community college persistence percentages, though lower overall than Massachusetts community colleges, have increased 0.5% over the last decade. Similarly, Massachusetts four-year college persistence trends have increased 0.4% over the same period, suggesting the decline is specific to Massachusetts community colleges.³⁰ Persistence can be influenced by a multitude of factors, but primarily reflects a students' likelihood of pursuing their education. Stage of life, work hours required outside of school, and financial aid have all been shown to influence student persistence in community college.³¹ Persistence is necessary to realize student outcomes and correlative workforce and wage uplifts - without action on factors influencing persistence, these trends can be expected to worsen.

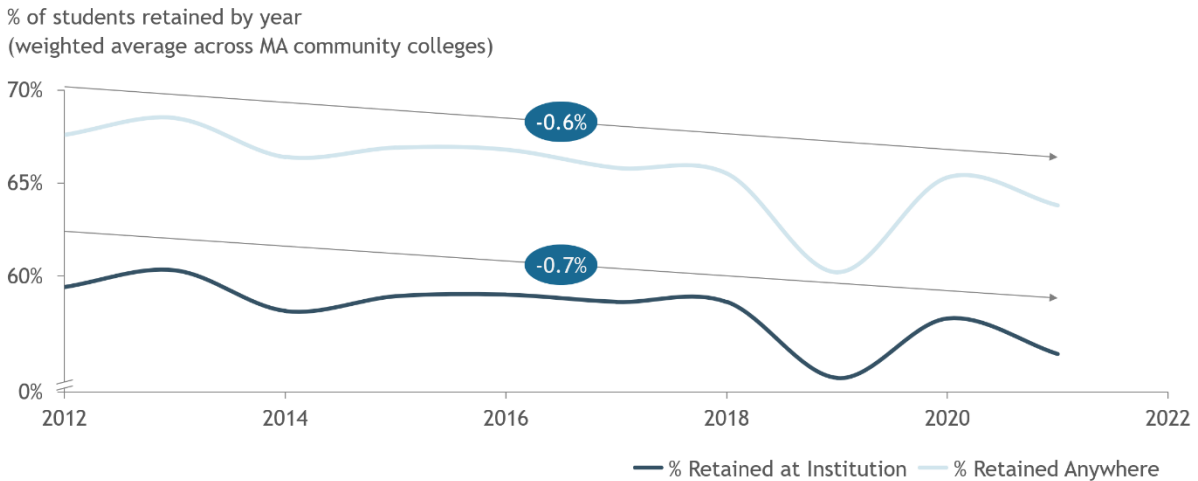
²⁸ [NCES College Navigator](#)

²⁹ [Massachusetts Department of Higher Education](#), Community Colleges—First Year Retention Rate (Fall to Fall) for New First-Time, Full-Time, Degree-Seeking Students (2023, March 6)

³⁰ [National Student Clearinghouse Research Center](#), 'Persistence and Retention: Fall 2021 Beginning Postsecondary Student Cohort (2023, July 27)

³¹ Nakajima, M. A., Dembo, M. H., & Mossler, R. (2012). [Student Persistence in Community Colleges](#). Community College Journal of Research and Practice, 36(8).

Exhibit 1.6: Persistence at community colleges has been falling consistently in the last decade, both within and across institution³²



Reduced enrollments and completions, particularly in historically underrepresented populations, have important implications for individual opportunity and financial outcomes. Community college can be a key step to achieving higher wages for key segments of the population. Estimates from the U.S. Department of Labor suggest that a certificate or associate degree can increase average wages above a terminal high-school diploma between 15-60%, depending on demographics, field of study, and prior work history – an impact that is multiplied over the course of a lifetime.³³ Supporting access to community college can therefore provide a benefit for the Commonwealth through increased tax revenue levied on this additional income, as well as direct prosperity for the state through expanded GDP.

On top of this, the Commonwealth faces key workforce gaps that could be partially addressed through a free community college program. Massachusetts is currently experiencing a tight labor market, with an average of two open roles for every job seeker. This tightening is influenced by population decline, an aging population, and outmigration. However, there are an estimated 400,000 “underemployed” workers in the Commonwealth – although many systemic factors and barriers contribute to the mismatch of employment, access to higher education is a core driver, especially in high-paying fields.³⁴

Increased enrollment through a free community college program could increase degree production in certain in-demand fields of study, particularly if actions are taken to support pursuit of these fields specifically (see [Workforce considerations](#)). In addition, free community college could boost four-year degree production by increasing student

³² [Massachusetts Department of Higher Education](#), Community Colleges—First Year Retention Rate (Fall to Fall) for New First-Time, Full-Time, Degree-Seeking Students (2023, March 6)

³³ MassINC, The Kitty and Michael Dukakis Center for Urban and Regional Policy, The Boston Foundation. (2021). [Pathways to Economic Mobility: Identifying the Labor Market Value of Community College in Massachusetts](#).

³⁴ Rubin, J. (2023, September 4). [Addressing the Labor Shortage in Massachusetts: Engaging Untapped Talent](#). The Project on Workforce.

numbers transferring from a two-year program, supported by the financial and support resources provided through such a program (see [Support for four-year colleges and the higher education ecosystem](#)). Increased access to higher education for historically underserved members of the Commonwealth, and intentional connection between graduates and employers, could begin to address the growing workforce gap that persists in Massachusetts today.

Existing financial support at community colleges in Massachusetts

Currently, Massachusetts currently offers nearly 40 state financial aid programs for students. MASSGrant, MASSGrant Plus, MassReconnect, and the Community College Nursing Scholarship program are some of the Commonwealth’s most significant programs offering coverage of tuition and fees to qualifying students and in some cases providing funds for books and supplies.³⁵

The figure below (Figure 1.7) compares financial aid programs in Massachusetts along several dimensions. Notably, in terms of coverage, most of Massachusetts’ programs providing significant coverage mainly operate on a last-dollar basis, meaning coverage fills the gap between students’ existing financial aid (e.g., federal Pell grants) and the cost of tuition. Some programs, including the recently announced MASSGrant Plus expansion, extend coverage to books and supplies, while others may go towards just covering the full cost of mandatory fees.³⁶

While the magnitude of aid programs in Massachusetts is remarkably significant, there are still many students with serious unmet need. No programs cover *all* age or income groups, and eligibility requirements vary along the dimensions of financial need, the type of institution and credit load in which students enroll, age (in the case of MassReconnect), and program (in the case of the nursing scholarship and other program-specific tuition waivers).³⁷ In addition to students not covered by current programs, tuition and fees represent only 32% of total student costs, leaving significant unmet need for many community college students.³⁸ A 2021 analysis from the Hildreth Institute found that 90% of community college students face nearly \$9,000 of unmet need annually.³⁹ In addition, Massachusetts community college students receive a smaller share of the Commonwealth’s overall financial aid pie compared to other areas of higher education. In FY22, the average state financial aid award was \$1,200 per

³⁵ Massachusetts Department of Higher Education (n.d.). [State Financial Aid Programs](#). Office of Student Financial Assistance.

³⁶ In November 2023, Massachusetts expanded the MASSGrant Plus program to fully cover tuition, fees, books and supplies for low-income students, and cover 50% of these costs for middle-income students in public two- and four-year institutions.

³⁷ For the purposes of this report, “low-income” students are those who are fully or partially eligible for Pell funding, with an adjusted gross income of less than \$70,000 – it is noted that some stakeholders have expressed that some higher incomes could be considered low-income given cost of living in some parts of Massachusetts.

³⁸ NCES College Navigator, [Tuition, Fees, and Estimated Student Expenses](#)

³⁹ Imboden, B. A. (2023). [Rising Barriers, Shrinking Aid](#). Hildreth Institute.

community college student, compared to a statewide average (including four-year colleges) of \$2,000.³⁹

Figure 1.7: Snapshot of several of Massachusetts’ significant financial aid programs⁴⁰

Program	Eligibility	Coverage	Requirements	Timing	Allocation
MASSGrant	MA resident; EFC <\$6206	Tuition/fees	Full-time; FAFSA	Last-dollar	State
MASSGrant Plus	MA resident; Pell-eligible ¹	Tuition/fees; books	Full-time (4-yr); part-time (2-yr); FAFSA	Last-dollar	State
MASSGrant Plus Expansion	MA resident; Pell-eligible or \$73-100k income range	Full tuition/fees (50% for middle-income); books/supplies	Part-time (Pell-eligible); full-time (\$73-100k income)	Last-dollar	State
MassReconnect	MA resident; >25	Tuition/fees; books/supplies	Part-time; FAFSA	Last-dollar	State
Nursing Scholarship	MA resident; nursing student	Tuition/fees; books/supplies	Part-time; FAFSA	Last-dollar	State
Need-based tuition waiver	MA resident; demonstrate financial need	Tuition	At least 3 credits; FAFSA	Partial or full tuition coverage	Institution
Massachusetts Cash Grant	MA resident; demonstrate financial need	Fees	At least 3 credits; FAFSA	Partial or full coverage of fees	Institution
Other aid	Generally, need-based; some merit	Varies	Varies - can be program-specific	Varies	Varies

1. Under MASSGrant Plus, Pell-eligible students are given priority, but institutions may extend funding to other low-income students after all Pell students have been awarded

Note: The need-based tuition waiver and Cash Grant are included in the comparison as they constitute large portions of aid received by students, however, funding for these programs is distributed by institutions as part of students’ financial aid packages, which makes them slightly different from statewide programs like MASSGrant. Similarly, the “other aid” category encapsulates a variety of merit and need-based financial aid programs, many of which are reserved for special purposes or certain populations of students.

Massachusetts has outlined its ambition for broader access to community college and has recently taken further strides towards expanding free tuition to low-income students through the MASSGrant Plus expansion. However, there is still progress to be made in advancing towards a truly universal free community college program.

Benchmarking of free community college programs in other states

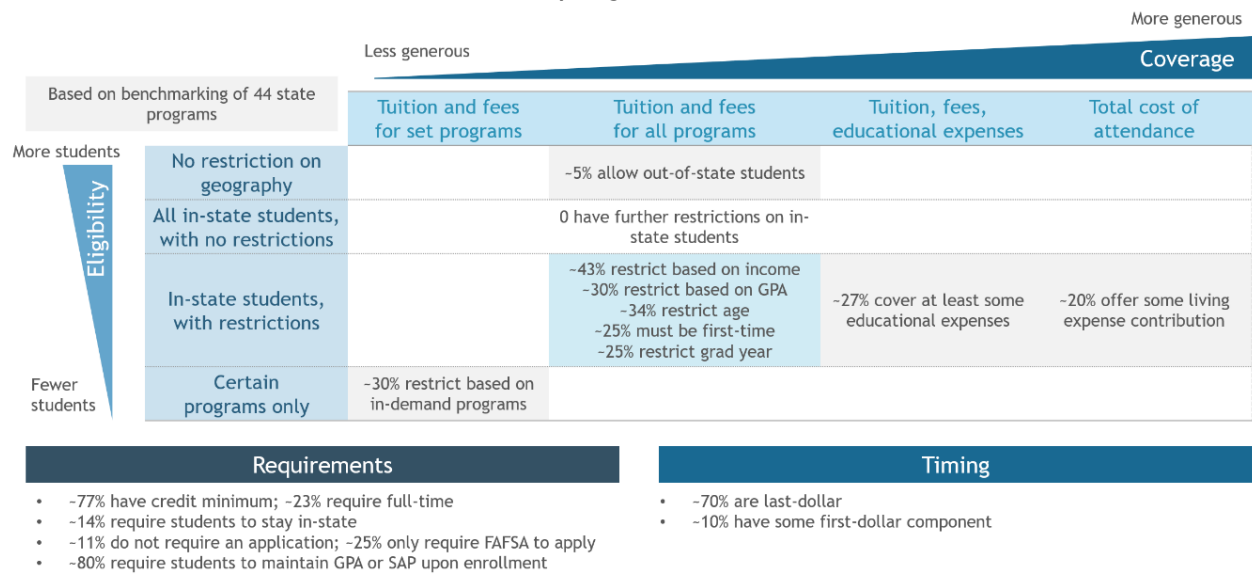
Two-thirds of US states offer ‘free community college’ programs: 44 programs across 33 states were benchmarked in this study. Benchmarks show diversity in determining for whom programs are free and how students can access funding and maintain eligibility (see [Appendix 3](#)). Most programs reviewed featured tuition and fee coverage for residents.

⁴⁰ Massachusetts Department of Higher Education (n.d.). [State Financial Aid Programs](#). Office of Student Financial Assistance.

Overall, state designs of free community college program diverge along four key elements:

- 1) Eligibility – who is eligible to receive community college funding?
- 2) Coverage – how much is covered by the ‘free’ community college program?
- 3) Requirements – what is required to maintain eligibility?
- 4) Timing – when are funds provided relative to other financial aid?

Figure 1.8: Summary of coverage and eligibility restrictions across benchmarked programs



Eligibility – who is eligible to receive community college funding?

States have varying eligibility criteria across a range of factors:

Exhibit 1.9: Eligibility restrictions across benchmarked free community college programs

Eligibility factor	Potential restriction	Evidence
Residency	Restricted based on state resident status	Many states require state residency for at least 1 year; others require students to have graduated high school in that state.

Income	Restricted based on varying income criteria	Some states set a threshold or range for family income; others use the Expected Family Contribution (EFC) or Pell-eligibility standards to determine need. High-level estimates found that income-restricted programs yield a smaller increase in degree completions compared to non-income restricted programs. ⁴¹
Age	Restricted based on age	Generally used to establish the parameters of 'Promise' or 'Reconnect' programs to ensure that programs target specific student populations.
High school GPA	Restricted based on students' GPA in high school	Can create barriers for recent graduates and deter participation from returning learners due to inability to access high school records. Not commonly implemented across states; analysis from Oregon shows how lowering the qualifying GPA would have led to a 19% increase in the applicant pool.
'First-time' pursuers	Restricted to students who have not previously received a postsecondary degree	Common among 'Promise'-type programs, but also implemented in MASSGrant, MASSGrant Plus and MassReconnect.
Academic program	Restricted based on students' enrollment in a specific field of study	Generally driven by workforce considerations to foster better linkages between higher education and state workforce needs.

Coverage – how much is covered by the ‘free’ community college program?

Most programs cover only tuition and fees as the main component of their free community college program. Some, including MassReconnect, also extend coverage to books and educational expenses to students. Several states further extend coverage to include monetary support for non-educational expenses. Virginia’s G3 program and the Tennessee Promise, for example, include funding for grants to high-need, full-time students covering expenses such as childcare and transportation.^{42, 43} In Michigan, Reconnect students may apply for up to \$550 per academic year in wrap-around support grants to cover non-tuition costs.⁴⁴ Examples of these stipends and others are included in Exhibit 1.11.

Benchmarks demonstrate that such stipends may have a positive impact on completion, and that a comprehensive stipend program may have an impact on completion for students facing varying financial difficulties beyond covering tuition. In Virginia, which offers a stipend to low-income students enrolled full-time, the highest retention rate of 85% was among the lowest-income students (within 300%-399% of the federal poverty line).⁴⁵

⁴¹ Lau, C. (2020). [The Effect of Tuition-Free Community College](#), *Federal Trade Commission Working Paper No. 347*
⁴² Virginia’s Community Colleges. (2022). [G3 Annual Report 2021-22](#)
⁴³ Tennessee Higher Education Commission. (2022). [Completion Grants Report 2022](#)
⁴⁴ Michigan Department of Labor and Economic Opportunity. (2023). [Michigan Reconnect](#)
⁴⁵ Virginia’s Community Colleges. (2022). [G3 Annual Report 2021-22](#)

Requirements – what is required to maintain eligibility?

States implement different types of requirements for students to maintain eligibility, or in some cases, avoid paying back financial support as a loan. Certain requirements impact programs' universality and generosity more than others, in order of frequency across benchmarks:

- i. Application processes for the program: ~89% of programs require some sort of application to establish eligibility for free community college. ~25% use the FAFSA, while ~11% have automatic eligibility upon enrollment to reduce barriers to program participation.
- ii. GPA maintenance: ~80% of benchmarked programs require students to maintain a certain GPA or satisfactory academic progress to remain eligible for tuition coverage.
- iii. Credit minimum: ~77% of benchmarked programs implement a credit minimum to maintain eligibility. ~23% require students to be enrolled full-time. Persistence increases with higher courseloads, with the greatest persistence jump of ~15% occurring between students taking one course versus two courses per semester.⁴⁶
- iv. Stay-in-state requirement: ~14% of benchmarked programs require students to stay in the state for a certain period after graduating, with mandatory terms varying from one to three years. Some (e.g., New York) require students to pledge their commitment, and others (e.g., Rhode Island) frame it as a “soft” requirement with no enforcement. While an in-state requirement benefits state ROI from a tax and skill perspective, it may deter applications, especially if scholarships are converted to loans when students fail to meet the residency requirement or if there are insufficient in-state opportunities available in-state for students in a given field.
- v. Mentorship/community service: Several programs ask students to meet with a mentor and engage in community service. This has demonstrated positive impacts on enrollment and scholarship retention, however, poses substantial additional challenges for implementation of free community college programs as well as extra cost.

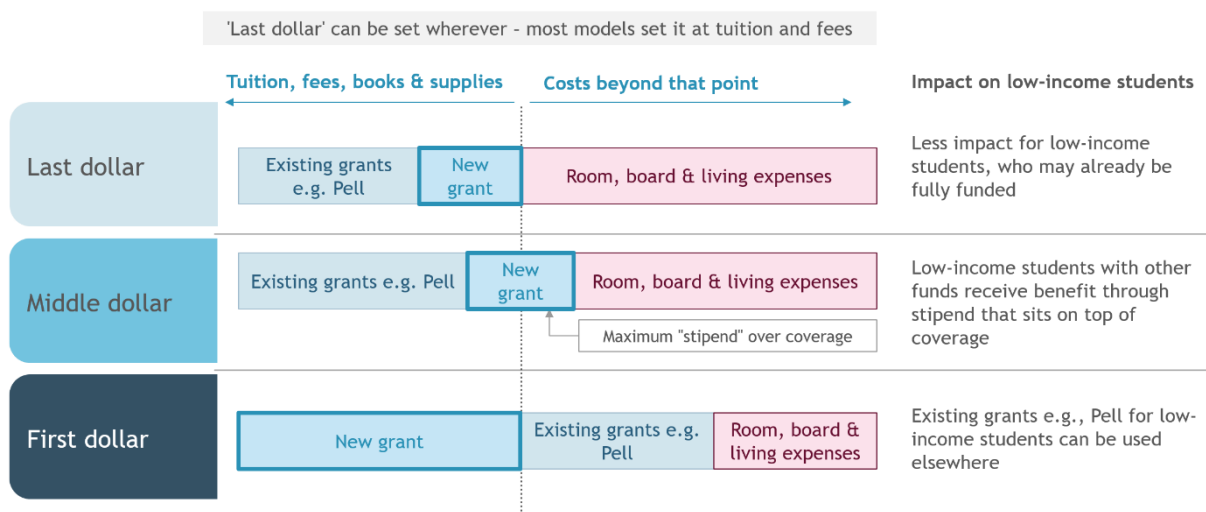
Timing – when are funds provided relative to other financial aid?

Timing of free community college funds to students can vary with relation to students' receipt of other financial aid (e.g., federal Pell grants). Fund timing has equity impacts

⁴⁶ Stout, K. (2017). [Community Insights: Emerging Benchmarks & Student Success Trends from Across the Civitas](#). *Civitas Learning*

and alters students' access to other aid funding for non-tuition costs. There are three main models of timing:

Exhibit 1.10: Breakdown of timing options – last, middle and first-dollar



~72% of state programs use a **last-dollar model**, which covers the cost of tuition and fees after other sources of financial aid have been applied. While this is the most widely adopted model, it is more likely to benefit middle and upper-income students. This model provides these groups with more funds than lower-income students, who may already be funded through other sources such as the Pell grant.

~9% of state programs use a **middle-dollar model**, which operates similarly to a last-dollar model but provides an additional stipend for students whose tuition and fees are covered entirely or almost entirely by other aid. This timing model overcomes the barrier of the last-dollar model by addressing more of low-income students' unmet need in the form of non-tuition costs.

Exhibit 1.11: Stipend amounts offered by states with middle-dollar programs

State	Stipend amount	Qualifying students
Oregon	\$1,000	Lower-EFC students with tuition/fee costs already covered
Washington	\$500	Washington College Grant recipients at 0-60% of state MFI ⁴⁷
Missouri*	\$500	Students with tuition and fees covered by other aid
Virginia*	~\$1,200 ⁴⁸	Low-income, full-time enrolled students

⁴⁷ Median family income

⁴⁸ Calculated based on \$3.5 million total cost allocated to ~3,000 students; subject to change based on annual funding availability and enrollment.

Connecticut*	\$250	Full-time students with tuition and fees covered by other aid
Tennessee	Up to \$1,000	Full-time, Pell-eligible students

**Classified as a last-dollar program, but provides stipend coverage for students having tuition/fees covered by other sources of aid*

~14% of state programs use a **first-dollar model**, which sets the amount of aid equal to the cost of full tuition and fees, allowing students with other sources of aid to apply it to non-tuition costs. This is particularly beneficial for low-income students who are more likely to receive Pell grants and have higher levels of unmet need beyond the costs of tuition. Compared to last-dollar and need-based programs, first-dollar programs drive greater enrollment increases, a majority of which are attributed to students who would not have otherwise attended community college.⁴⁹

The remaining ~5% of states use **various methods** to calculate aid, some opting for a need-based calculation that differs based on student context, with others offering a fixed-rate in-state tuition to all students regardless of need.

For states, tradeoffs exist between eligibility restrictions and program generosity. Certain design choices, such as the timing of funding, impact how generous programs are with their coverage. Benchmarking from other programs suggests first and middle-dollar programs are more generous compared to last-dollar programs. Limiting restrictions and increasing accessibility, for example through automatic eligibility for the program, also increased generosity.

Benchmarking provides three notable insights into design considerations for free community college in Massachusetts:

- 1) **Program design must consider the long-term sustainability of the program.** Budgetary constraints forced Oregon to modify the Oregon Promise, causing 1,000 students to lose eligibility due to a raised family contribution limit.⁵⁰ Despite efforts to increase accessibility by lowering the qualifying GPA and removing the program co-pay, unstable funding ultimately undermined the program.⁵⁰ Similarly, Maryland faced a \$3.5M budget shortfall during COVID-19, leaving 3,000 students without funding under its free community college program.⁵¹ A free community college program in Massachusetts should carefully consider how to manage funding continuity and predictability.
- 2) **Eligibility and maintenance criteria significantly influence student access to funding:** keeping criteria simple and accessible is important. New York’s Excelsior Scholarship has strict requirements, including a \$125,000 income cap and mandatory in-state residency post-graduation. Only 8% of eligible community

⁴⁹ Lau, C. (2020). [The Effect of Tuition-Free Community College](#), Federal Trade Commission Working Paper No. 347

⁵⁰ Cox et. Al. (2018). [The Oregon Promise Report from Year 3](#), Higher Education Coordinating Commission

⁵¹ Douglas-Gabriel, D. (2020). [Why 3,000 people are still waiting for Maryland’s community college scholarship](#), The Washington Post

college students eventually received funds in 2018, and overall renewal rates were low.⁵² Conversely, New Mexico's Lottery and Opportunity Scholarships, with flexible eligibility criteria, no application process, and significant generosity in allocation, have boosted enrollment significantly. In recent years, New Mexico's independent and branch community colleges saw the largest increases in enrollment as a result of the program.⁵³

- 3) **A new program must carefully consider timing of funds, as choices impact demographics benefited and overall program effectiveness.** First-dollar programs particularly benefit middle-income and community college students who otherwise would not have attended college.⁵⁴ Last-dollar programs drive lower enrollment growth, but higher growth in completions than programs that only allocate funds based on need, but are less beneficial for lower-income students, and have a smaller impact on equity.⁵⁵ These considerations are nuanced but important for legislators considering options.

These insights, along with stakeholder input, guide the recommended approach for a universal free community college program in Massachusetts.

⁵² Scott-Clayton, Libassi, & Sparks. (2022). [The Fine Print on Free College: Who Benefits from New York's Excelsior Scholarship?](#), *Urban Institute*

⁵³ Office of the Governor Michelle Lujan Grisham, New Mexico. (2023). [New Mexico breaks another enrollment record thanks to the Opportunity Scholarship](#)

⁵⁴ Lau, C. (2020). [The Effect of Tuition-Free Community College](#), *Federal Trade Commission*

Part 1: Design of a new free community college program










Stakeholder consultation informing this work

To develop a comprehensive understanding of key considerations around a free community college program, this work included two focus groups for community college CFOs and student support staff, six meetings with an Advisory Committee comprised of diverse stakeholders across the community college environment in Massachusetts, and interviews with 30+ further stakeholders, some of whom were consulted multiple times (see [Appendix 1](#) for the Advisory Committee, [Appendix 2](#) for a list of further individuals interviewed). Conversations informed a view on program goals, design decisions, and impact to colleges, and are reflected in what is presented in this report.

Proposed design for a new free community college program

The preferred community college model put forward in this draft report was designed based on principles of maximizing access, equity, and outcomes while being responsible with taxpayer dollars:

Exhibit 2.1: Recommended program design approach

Design choice	Recommended approach
Eligibility	
 Residency requirement	<ul style="list-style-type: none"> Limit eligibility to MA residents (incl. undocumented)
 FAFSA completion	<ul style="list-style-type: none"> Must complete FAFSA to receive funding
 Age & first-time restriction	<ul style="list-style-type: none"> Do not limit eligibility based on age or first-time degree earner
 Incoming GPA minimum	<ul style="list-style-type: none"> Do not limit eligibility based on incoming (high school) GPA
 Income limit	<ul style="list-style-type: none"> No income limit
Program Requirements	
 Credit minimum	<ul style="list-style-type: none"> 6 credit minimum per semester, for-credit courses only
 GPA maintenance	<ul style="list-style-type: none"> Require a >2.0 minimum GPA while enrolled in the program
 Program restriction	<ul style="list-style-type: none"> Do not limit funding to specific programs
Timing & coverage	
 Timing & coverage	<ul style="list-style-type: none"> Middle dollar¹: tuition, fees, books & supplies and a maximum \$2k stipend for those already funded

1. Middle dollar sets an award amount which is converted to a grant for those who already have tuition and fees met by other programs such as Pell

Eligibility: The proposed design aims to reduce barriers to entry, particularly for lower-income students, and aims to create and improve program accessibility and effectiveness:

- Fewer requirements drive access and make it easier for students from lower socioeconomic backgrounds to engage.⁵⁶
- Avoiding detailed eligibility caveats enables clear communication with, and expectations of, prospective applicants.

The program proposes that participants be residents of Massachusetts, or high school completers⁵⁷ as designated under the Tuition Equity Eligibility affidavit. The exclusion of non-residents is unlikely to limit participation significantly: over 95% of community college students in Massachusetts are currently residents.⁵⁸ In line with previous efforts, this requirement is inclusive of non-documented residents. An added benefit is that this requirement may encourage students to stay in Massachusetts who would have otherwise moved out of state for education, who may now see a free local program as an attractive stepping stone to either a four-year college or the workforce (addressed in [Support for four-year colleges](#)).

The second eligibility requirement is submission of a FAFSA or tuition equity eligibility form. This form allows existing aid to be calculated and applied, enabling a middle-dollar coverage policy. Today, approximately 20% of students in the Commonwealth currently attending community college do not complete a FAFSA when applying, with many missing out on financial aid for which they are eligible.⁵⁹ A requirement for FAFSA completion will allow these students to access existing aid, and aid under a new program to be calculated. Notably, a FAFSA completion requirement may deter a small number of students from applying for aid, but this risk can be mitigated by bolstering support for FAFSA completion at community colleges (see [Process changes](#)).

To maximize eligibility and increase uptake, the Legislature could choose to mandate FAFSA or tuition equity eligibility completion for all high school students as a requirement for graduation. Such an action would likely materially drive FAFSA completion in the Commonwealth; Louisiana and Texas both experienced FAFSA completion rates over 25% higher than prior years after implementing a FAFSA completion requirement in public schools.⁶⁰ If mandatory FAFSA was implemented in Massachusetts, estimates would suggest Massachusetts would see a 10-15 percentage

⁵⁶ Harris, D. N., Farmer-Hinton, R., Kim, D., Diamond, J., Blakely Reavis, T., Krupa Rifelj, K., Lustick, H., & Carl, B. (2018). [The promise of free college \(and its potential pitfalls\)](#). *Brown Center on Education Policy at Brookings*, 2.

⁵⁷ Undocumented high school completers seeking to leverage the Tuition Equity Eligibility affidavit must meet certain additional requirements, including having attended at least three academic years of high school in Massachusetts, having received the equivalent of a high school diploma in Massachusetts, having applied for the military selective service, and other requirements outlined in the [Implementation Procedures and Affidavit: Tuition Equity for Massachusetts High School Completers](#)

⁵⁸ U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

⁵⁹ Massachusetts Department of Higher Education student level data 2022 – 2023 school year

⁶⁰ [Digging Deeper into Universal FAFSA Impacts in Four States](#) - National College Attainment Network. (n.d.).

point increase in FAFSA completions (but not necessarily an increase in enrollments, based on benchmarks elsewhere). Given the program requirement of submitting a FAFSA to receive tuition coverage in the proposed program, mandatory FAFSA would increase program costs – this is particularly meaningful if these individuals are high income, as they would be eligible for significant last-dollar aid. Mandatory FAFSA for high school graduates may lead to an additional cost of up to ~\$6M per year for a free community college program⁶¹ (see [Lead indicators](#) for more details on this topic).

Stakeholders considered additional requirements such as age, incoming GPA, and income limit to restrict eligibility. Ultimately:

- Limiting eligibility by age was considered to be unduly restrictive and in tension with goals of maximizing Massachusetts’ skilled workforce.
- While there was an argument for limiting eligibility to those with a minimum high school GPA, there were concerns over the equity of such a requirement, as well as concerns over adding complexity to the messaging to students that community college is for everyone.
- No limits were placed on income eligibility because (a) most community college students are not originating from higher income earning families meaning this would have limited impact on program cost; (b) the ‘preferred’ program is intentionally designed in a way to ensure low-income individuals receive more total aid (including federal aid e.g., Pell) than higher-income individuals overall; and (c) this would have an impact on the universality of program messaging and therefore perceived accessibility.

Consultation also revealed questions around restricting eligibility to ‘first-time degree-seekers’. Several Massachusetts programs, such as MassReconnect, include this restriction. Stakeholders consulted had a diversity of perspectives. Restricting to first-time degree-seekers could reduce program cost and target investment to individuals who would see significant uplift through a first degree. However, this would limit the potential for individuals to see community college as an accessible up- or re-skilling opportunity, important when the Commonwealth is looking to grow certain workforce areas. For example, many students use community college as an opportunity to move from a job that provides insufficient wages to support a family to a higher-earning opportunity (e.g., from childcare to nursing). These individuals would benefit from free community college and otherwise miss out with a first-time restriction. The program proposed in this draft report does not limit free community college to first-time degree earners.

Lastly, the program as modelled does not place a cap on how many years students can receive funds for. Many other models do use such a cap – this is an option for

⁶¹ A \$6 million uplift in cost represents a mandate for high school students, and represents the ~30% of any community college class comes directly from high school; a broader mandate would increase costs further.

Massachusetts, noting that a six-credit minimum also goes some way to ensuring students are meaningfully engaged in community college.

Program requirements: The proposed design includes several requirements to ensure learners engage meaningfully with community college while receiving funding, improving prospects for completion. This includes a minimum credit level per semester and a maintenance GPA minimum.

A minimum credit requirement is an important factor in maintaining student engagement, momentum, and prospects of graduation. The proposed program requires students to maintain a minimum of six credits per semester. This is in line with requirements for MassReconnect and other benchmark states; it is a slightly higher minimum than for federal Pell grants. Given that ~70% of Massachusetts community college students attend school part-time, with many juggling work and family commitments, stakeholders felt that a part-time requirement versus a full-time one was most appropriate.⁶² Stakeholders also noted that this threshold keeps students below the nine-credit limit for mandatory health insurance fees, saving additional cost for students who cannot or do not want to pay for this insurance (though interviews indicated few pay for college health insurance and most instead receive insurance through MassHealth or Health Connector). Benchmarks suggest a moderate credit minimum supports persistence, with 15% higher persistence from students taking two courses at a time compared to one.⁶³

While it would be ideal to track progress on an annual basis (i.e., offer an average of six credits per semester, even if students took nine credits one semester and three the next) to protect flexibility for students, the practical implications of this approach may be complex and are worth further consideration before recommending this concretely.

Evidence also supports that a GPA maintenance requirement helps drive learning engagement. The proposed program requires a minimum 2.0 GPA average. Benchmark data suggests GPA maintenance requirements increase both student persistence through a community college program and increase probability of degree completion.⁶⁴

Consultation also considered how to include non-credit bearing classes, if at all, in a free community college program. Many stakeholders advocated for the inclusion of non-credit bearing classes given these are often a first step for students seeking educational and career advancement and their exclusion from a free community college program may create barriers for some students, particular certain groups such as new immigrants who may require adult education 'bridging' classes and ESOL. While non-

⁶² IPEDS data via College Navigator – taken from Fall 2022 values, weighted average

⁶³ Stout, K. (2017). [Community Insights: Emerging Benchmarks & Student Success Trends from Across the Civitas](#). *Civitas Learning*, 1(3).

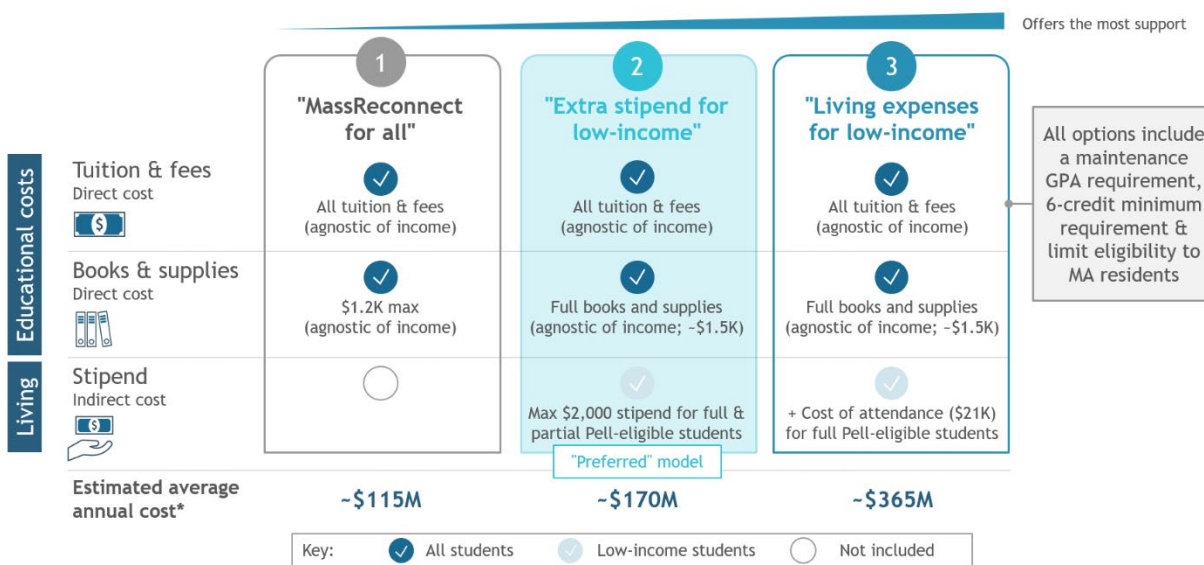
⁶⁴ Colbourn, S., Englot, P., Ninan, R., & Rodriguez Cuniolo, E. (2021). [Unlocking the Promise of Promise Programs: Designing a Statewide Promise Program for North Carolina's Community Colleges](#) [Duke University Sanford School of Public Policy].

credit bearing classes have not been included directly into costing, these have been costed as a potential ‘add-on’ for any chosen program – not to diminish their importance, but instead to make it clear that they could be included in any model (see [Estimated program impacts](#) for cost estimates).

Consultations surfaced a school of thought that this program should be targeted to certain programs – namely, those contributing to “high priority” industries and jobs – to close acute workforce gaps, align with the Commonwealth’s economic development priorities, and maximize taxpayer ROI. Ultimately, this proposal does not include restrictions on fields, as the legislative intent was considered to be an investment supporting all programs – and many stakeholders highlighted the value of *all* community college programs as laying a foundation for further study and/or work. However, this report later outlines other potential actions the Legislature could consider to better connect community college to the workforce, and steer students towards “high priority” fields (e.g., improving access to student aid supporting education in high-demand fields, or requiring workforce linkages to be part of an expanded wrap-around program). More detail on this perspective and potential impacts are covered in the [Workforce considerations](#) section of this report.

Timing and coverage: Stakeholders considered three models with various coverage and timing choices when evaluating program design: the “preferred” option, that offers a stipend for low-income students, an option that resembles MassReconnect for all, and an option that fully covers living expenses for particular low-income students.

Exhibit 2.2: Overview of proposed design models



*Estimated average annual cost between FY25 and FY34 – cost is inclusive of programs such as MassReconnect and the free nursing program; net cost would subtract these costs from the total value

All models feature free access to community college, available to all Massachusetts residents engaging meaningfully with their chosen program, covering tuition and fees at a minimum. The ‘preferred’ proposal, outlined in more detail below, provides additional support to those who are lower-income (defined as those who are fully or partially Pell-eligible⁶⁵, noting many students above the Pell range still face significant need in Massachusetts) and covers books and supplies for all; the other two options (‘MassReconnect for all’ and ‘Living expenses for low-income students’) reflecting strong but divergent stakeholder opinions are also outlined.

Coverage in the “preferred” program includes tuition, fees, books, supplies, and \$2,000 in funding per year/student based on income, disbursed on a middle-dollar basis. This approach improves on last-dollar models in that it offers greater support for low-income students via a stipend (improving access and student completions from this segment), balancing equity and budget considerations while still offering free community college for all.

The inclusion of the \$2,000 need-based stipend classifies the proposed program as a “middle-dollar” program (see [Exhibit 1.10](#) to review “middle-dollar”); the additional stipend ensures that every student receives at least some funding from the Commonwealth. This also helps drive equity; even if a student’s full tuition is already covered by Pell grants, they can use the additional funding to offset other cost-of-living expenses while in school. By contrast, a last-dollar program would overwhelmingly benefit higher-income individuals who do not qualify for Pell funding.

The \$2,000 stipend should be considered a ‘scholarship’ for financial aid purposes; funding would be treated as part of a student’s financial aid package, subject to satisfactory academic progress based on stated program requirements of credit and GPA minimums, and subject to the return to Title IV funds (R2T4) process⁶⁶ if these requirements are not met. This funding would impact student loan eligibility and would also be subject to taxes under Massachusetts Directive 95-9 – which means funding beyond tuition, fees, and educational expenses would be taxable.⁶⁷ The proposed disbursement timeline would mimic that of federal Pell grants; funds would be distributed directly to students at the beginning of the term, once classes have been finalized.

As discussed earlier, beyond the preferred model outlined above, two alternative models have also been included in this draft reflecting stakeholder deliberations, including **“MassReconnect for all”** and **“Living expenses for low-income students”**.

⁶⁵ Fully or partially Pell-eligible students have an adjusted gross income of around less than \$70,000.

⁶⁶ The “return to Title IV” (R2T4) process is a federal refund process for unused financial aid, which requires return of funds if a student loses program eligibility; Commonwealth of Massachusetts. (n.d.). [Proprietary Schools Policy for Title IV/R2T4](#). Mass.gov.

⁶⁷ Massachusetts General Laws Directive 95-9, [Tax Treatment of Scholarships and Grants for Residents and Nonresidents of Massachusetts](#) (1995).

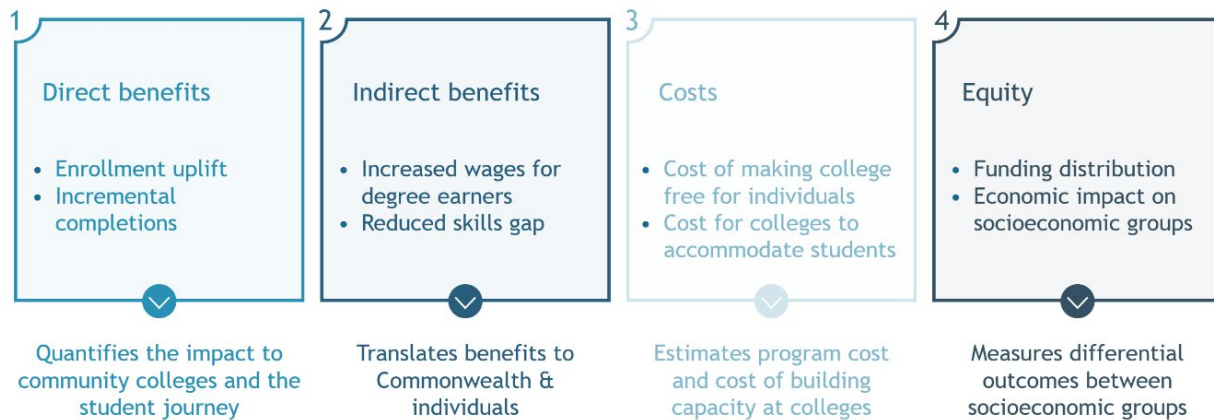
1. **“MassReconnect for all”** is a lower-cost model that fulfills the legislative aim of ‘free community college’ by expanding the age eligibility requirements of MassReconnect to encompass a more universal pool of prospective students. This model offers last-dollar coverage of tuition and fees, and up to \$1,200 of additional funding for books and supplies, distributed agnostic of income. Under this last-dollar model, a large proportion of funds would go to higher-income students as it would not represent a material improvement in access to financial aid for students with full Pell or partial Pell-eligibility who generally have tuition and fees covered under existing programs.
2. **“Living expenses for low-income students”** is a higher-cost option focused on driving equity and student success by more comprehensively addressing financial barriers for those in most need. It provides a generous stipend for fully Pell-eligible students, filling the gap between existing aid and the total cost of attendance. All other students have last-dollar tuition and fees covered, as well as books and supplies.

In addition to these specific alternatives, several other options were considered but not pursued further to the extent of being included in detail in this report. A first-dollar program was considered but was thought by stakeholders to be too expensive for the Commonwealth. A last-dollar program was also considered however eventually removed from consideration as this model would be less generous than other aid programs currently offered by the Commonwealth (such as MassReconnect), and therefore felt out of line with the equity and access goals of this initiative. High level cost estimates have, however, been included in this report.

Estimated program impacts

Impacts of the preferred and two alternative models (“MassReconnect for all” and “Living expenses for low-income students”) displayed in [Exhibit 2.2](#) were modelled across four categories:

Exhibit 2.3: Dimensions of program impact measurement



This section first focuses on the impacts of the preferred model, “Extra stipend for low-income.” To recap, this model includes coverage of books and supplies for all students taking six credits and above and has a middle-dollar stipend of a maximum \$2,000 targeted at lower-income students.

Direct benefits

Modelling suggests implementation of the preferred model would lead to an annual increase of ~7,000 full-time equivalent (FTE) enrollments (FTE is lower than student headcount – two students taking 6 credits each would be one full-time equivalent) and ~3,000 completions, compared to the baseline forecast.

Between FY25 to FY34, the model forecasts the preferred free community college model leading to an annual average FTE enrollment of ~42,000 at community colleges, and ~12,000 average annual completions (~9,500 associate degrees and ~2,500 certificates).

This is compared to an annual average of 35,000 enrollments and 9,000 completions in a baseline scenario over the same period, where no free community college is implemented (as mentioned above, an uplift of ~7,000 enrollments and ~3,000 completions above the baseline).

These benefits are driven by an uplift in the number of new students, an increase in retention of new and existing students, and an uplift in average credits taken per student. Assumptions driving these uplifts have been triangulated based on impacts seen at benchmark states, modulated FTC estimates of free community college impacts, and projections around certain demographics including high-school graduates and the population of potential returning learners (see detailed assumptions in [Appendix 4: Program impact and financial analysis](#)).

The impact of free community college, particularly on persistence and completions, can go some way to addressing Massachusetts’ historically falling completion rates (see [Case for change](#)). These estimates build in the observed bump in enrollments in the baseline attributable to the MassReconnect program.

Exhibit 2.4: Estimated FTE enrollment with free community college program – incremental FTE are as a result of the ‘preferred’ model

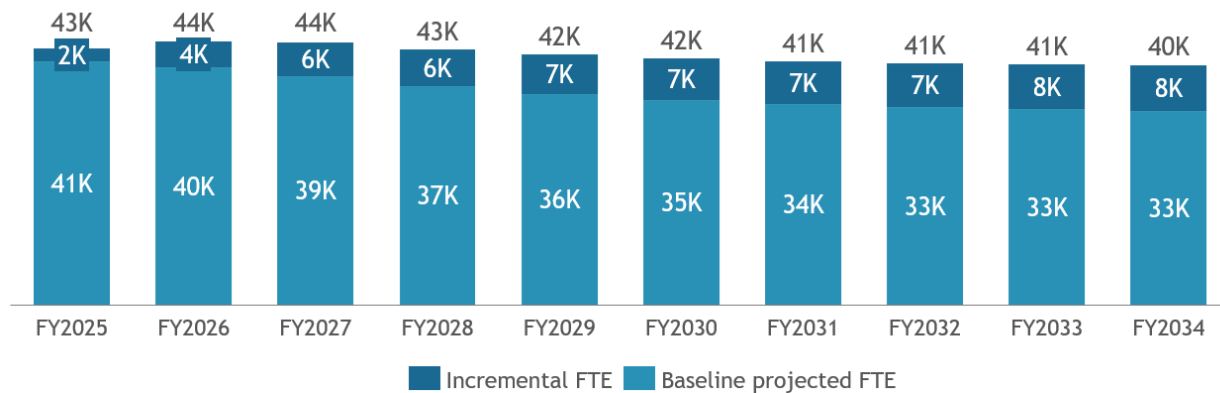
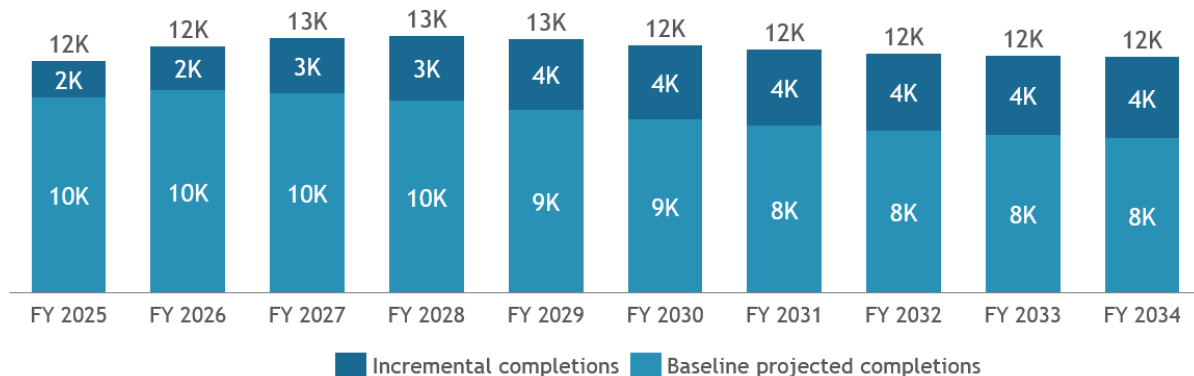


Exhibit 2.5: Estimated completions with free community college program – incremental FTE are as a result of the ‘preferred’ model

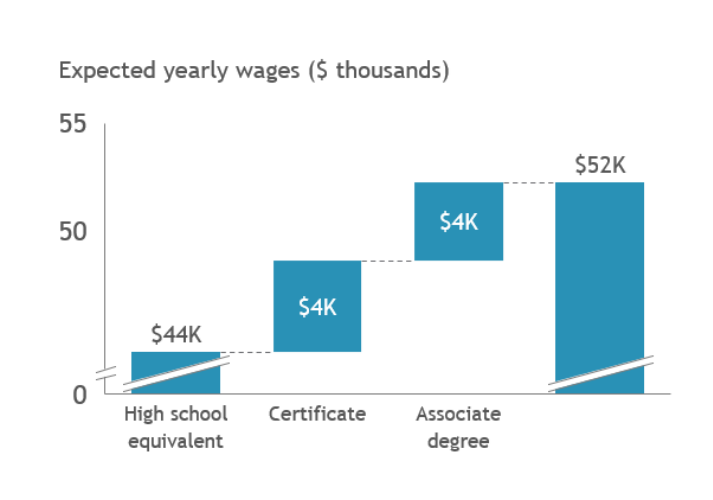


Indirect benefits

Each incremental completion represents an individual who is earning an associate degree or certificate that would not have done so without a free community college program. In the U.S., individuals with a certificate make on average \$4,000 more than

those with a high school equivalent degree; associate degree earners make on average \$8,000 more than those with a high school equivalent.⁶⁸

Exhibit 2.6: 2023 U.S. average earnings based on education level



This analysis assessed the financial benefit incremental degree earners bring the Commonwealth in two ways:

1. Increased wages will result in higher tax revenue for the Commonwealth

Using a conservative estimate that 10% of an individual's wages flow back to the Commonwealth in taxes (income tax, sales tax, property tax etc.), an incremental certificate earner has a net present tax value of ~\$5,000, and an incremental associate earner has a net present tax value of ~\$10,000.

2. Higher educational attainment reduces the likelihood of unemployment

High school equivalent, completion earners, and associate degree earners experience 4%, 3.5%, and 2.7% unemployment rates, respectively. A decrease in unemployment results in a lower likelihood of individuals receiving unemployment benefits from the Commonwealth. Over a 40-year working career, decreases in unemployment have a net present value of ~\$1,500 for each incremental certificate earner and ~\$3,000 for each incremental associate degree earner.

In total, due to these indirect benefits:

- For net new students, the program generates an annual net present value of ~\$280 million in future wage earnings.
- For the Commonwealth, increased wages and reduced unemployment for incremental degree earners have an annual net present value of ~\$40 million.

Accounting for inflation and the differential growth rates of wages for skilled and unskilled labor, a certificate holder will earn an additional \$250,000 and an associate

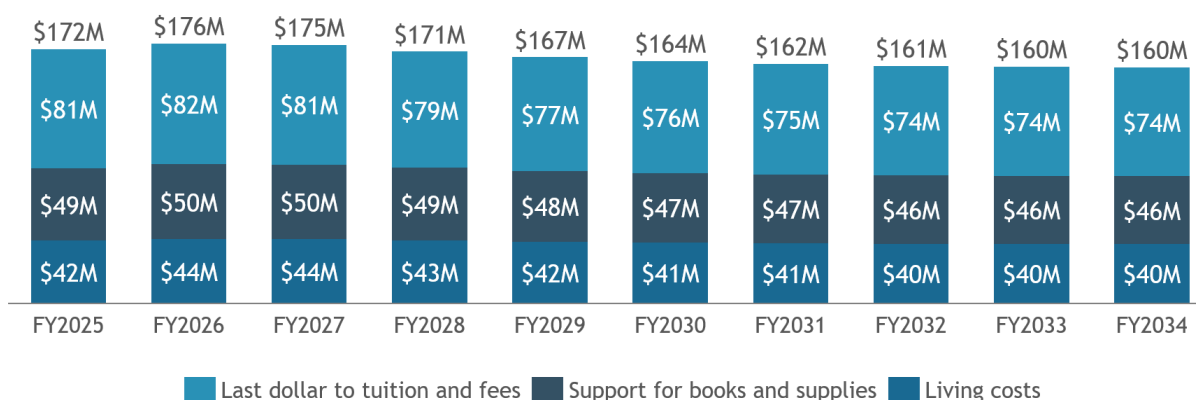
⁶⁸ [Education pays: U.S. Bureau of Labor Statistics](#). (2023, September 6).

degree holder will earn an additional ~\$500,000 over a 40-year working period. Applying a 10% discount rate on future earnings, wage differences suggest a ~\$50,000 net present value for earning a certificate, and ~\$100,000 net present value for earning an associate degree.

Program costs (student financial support)

The ‘preferred’ free community college program is projected to cost \$170 million each year on average over the next 10 years⁶⁹. This funding breaks down into \$80 million in funding for tuition and fees, \$50 million in support for books and supplies, and \$40 million in stipend payments to cover living costs for Pell-eligible students.

Exhibit 2.7: 10-year projected ‘preferred’ free community college program costs⁷⁰



To estimate costs, the student body was broken down into bands based on their expected family contribution and Pell-eligibility. Current aid for each band was determined using existing college and Department of Higher Education (DHE) data and broken down by source. Lower-income bands receive a greater amount of federal and state aid, thus, they require less last-dollar funding for education costs. Higher-income students receive less federal and state aid and, therefore, cost more on a per-student basis (see funding breakdown by income band in the following section – [Equity](#). See detailed assumptions in [Appendix 4: Program impact and financial analysis](#)).

⁶⁹ Inclusive of existing \$20 million for MassReconnect and \$6 million for tuition through the free nursing program; preliminary enrollment data from fall 2023 suggests that costs for MassReconnect could rise further ~\$50 million in FY24 and average ~\$40 million from FY25 to FY34 – net estimate includes the current budget

⁷⁰ Cost estimates do not exclude student aid that is currently provided through MassReconnect (\$20 million in FY24) and the nursing program (\$6 million for tuition, FY24) as FY24 school year aid data is not yet available. If a new free community college was considered to be incremental to the ‘preferred’ programs at current costs, net cost would be lower (~\$145 million using FY24 costs). MASSGrant Plus expansion was not considered in any of these estimates (~\$6 million) as it was announced during the course of drafting this report, but considering this program also incremental to that would reduce cost further.

Equity

The proposed program allocates 45% of funding (\$75 million) to Pell-eligible students, covering up to \$2,000 of living costs for fully-Pell eligible students. To evaluate the equity of the program, students were divided into four categories based on their expected family contribution and Pell eligibility:⁷¹

Exhibit 2.8: Student EFC groups used for equity measurements

	Expected family contribution	Adjusted gross income	Community college makeup
Full Pell-eligible Band 1 - lowest income	\$0	Less than \$40K	40%
Partially Pell-eligible Band 2 - low income	\$0 - 6.2k	\$40K - \$70K	20%
Non-Pell-eligible Band 3 - middle income	\$6.2k - \$15k	\$70K - 100K	15%
Non-Pell-eligible Band 4 - highest income	Over \$15K	\$100K+	25% (includes ~20% non-FAFSA filers)

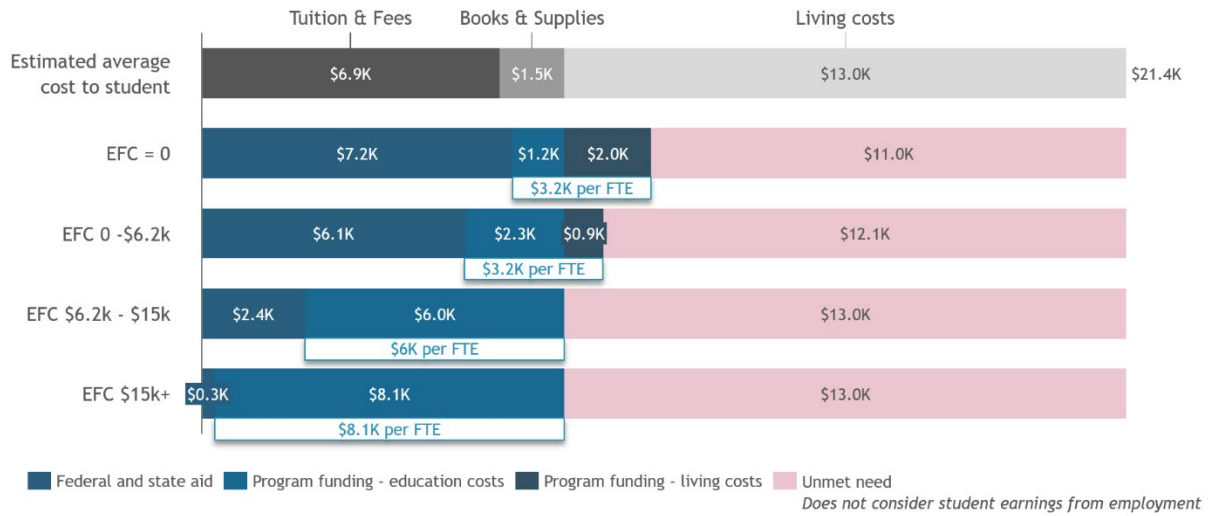
Pell-eligible students make up ~60% of the community college student population in Massachusetts. Fully Pell-eligible students receive ~\$7,200 in federal and state aid⁷². The proposed 'preferred' free community college program would cover the gap between their federal and state aid and the cost of tuition, fees, books, and supplies,⁷³ and an additional \$2,000 to cover living costs. In total, fully Pell-eligible students would receive \$3,200 from the program. The funding structure for the average student within each income band is shown in Exhibit 2.9.

⁷¹ Expected family contribution, adjusted gross income, and Pell eligibility are based on FY22 federal student aid

⁷² Massachusetts DHE student-level data 2022 – 2023 school year

⁷³ Institutional grants, which may cover education expenses, especially for low-income students, will be subsumed by the program

Exhibit 2.9: Average student funding by EFC group with the proposed 'preferred' free community college program



The proposed program will also generate co-investment from the federal government in the form of additional Pell grants for low-income students who are newly attracted to the program. The 'preferred' free community college program is estimated to increase enrollments of full-Pell-eligible students by ~2,800 FTE per year and partially Pell-eligible students by ~1,400 FTE per year. Together, these students would receive an estimated ~\$27 million in Pell aid. In total, it is estimated that the incremental ~7,000 FTE enrolling in community colleges due to the program will draw ~\$32 million in federal funding⁷⁴.

The net impact of Pell and non-Pell investment into aid changes the distribution of net new funds introduced by a free community college program, noting the existing modelled distribution is impacted by assumptions regarding new FAFSA filers (conservatively placed into the high-income group, likely over-representing both the numbers of new students in that group and the amount of new funds allocated to this group).

Model comparison

The preferred program balances equity and budget concerns – a tradeoff that stakeholders expressed is top of mind. The proposed 'preferred' program, "Extra stipend for low-income", would cost ~\$170 million. These estimates do not exclude, and are therefore inclusive of, ~\$20 million for MassReconnect and ~\$5 million in tuition and fees in the free nursing program, as aid data was taken from the year prior to these

⁷⁴ Federal funding granted to incremental students includes Pell Grants, Supplemental Educational Opportunity Grants, and other federal aid (non-Title IV)

programs being implemented – if this program was considered to be incremental to these two, it might cost ~\$145 million⁷⁵.

It is worth noting that completion and enrollment uplifts are estimated *on top* of Fall 23 program impacts (MassReconnect and nursing) so are more readily comparable to financial estimates net of these programs.

Pell-eligible students, who make up ~60% of the community college population, would receive \$75 million (~45%) of the program's total funding. This model provides more funding to Pell-eligible students than a MassReconnect for all model, which only provides 25% of funding to Pell-eligible students, but less than a model where living expenses are covered for lowest-income students (75%).

Exhibit 2.10: Modeled Impacts for three scenarios⁷⁶

		1	2	3
		"MassReconnect for all"	"Extra stipend for low-income"	"Living expenses for low-income"
Direct benefits	Enrollments <i>Incremental to baseline</i>	40K (+5K)	42K (+7K)	44K (+9K)
	Completions <i>Incremental to baseline</i>	11K (+2K)	12K (+3K)	14K (+5K)
Indirect benefits	Wage uplift ¹	\$170M	\$280M	\$400M
	State tax benefits	\$25M	\$40M	\$55M
Ed. costs	Tuition and fees	\$70M	\$80M	\$75M ²
	Books and supplies	\$45M	\$50M	\$50M
Living costs	Living costs	\$0M	\$40M	\$240M
Total Cost	Exclusive of MassRec. & nursing ³	\$90M	\$145M	\$340M
	Inclusive of MassRec. & nursing	\$115M	\$170M	\$365M
Equity	% Pell-eligible	~25%	~45%	~75%
	\$ Pell-eligible ⁴	\$30M	\$75M	\$280M

1. Lifetime wage uplift is the incremental net present value of lifetime earnings with a certificate or associate's degree compared to earning a HS degree assuming 40 years of working post-degree earning with a 10% discount rate on future wages; 2. Actual difference from the 'preferred' model is minimal (~\$1M) but changes rounding, shift is due to nature of model attracting lower income students who require less tuition and fee coverage; 3. Assumes current MassReconnect costs, these may be subject to change; 4. Defined as AGI <\$70K
Source: DHE, interviews & case studies, MA Dept of Elementary & Secondary Education, Federal Trade Commission, U.S. Bureau of Labor Statistics, UMass Donahue Institute

Non-credit bearing courses

While not explored as part of the “preferred” or other suggested models, non-credit bearing courses were highlighted by stakeholders as an area that could also be made

⁷⁵ The MASSGrant Plus expansion, which has been announced, has not been built into these numbers in any way – if this program was considered to be incremental on top of the MASSGrant Plus expansion, it would further reduce the net impact by ~\$6 million. There may be cost growth of MassReconnect in future years which would lower net cost.

⁷⁶ Net impacts for enrollment and completions are on top of the estimated impacts from MassReconnect and free nursing. Costs exclusive of MassReconnect and free nursing assume the allocated \$20 million for MassReconnect and \$6 million for tuition through the free nursing program in FY24. Preliminary enrollment data from fall 2023 suggests that that actual cost for MassReconnect may be up to ~\$50 million in FY24 and average ~\$40 million from FY25 to FY34. MASSGrant Plus Expansion was not considered in any of these estimates (~\$6 million) as it was announced during the course of drafting this report, but considering this program to be also incremental to that would reduce cost further.

free (alongside credit-bearing courses) that may have a significant impact on some groups, including bringing those who dropped out of school back into higher education, or graduated some time ago (through remedial and introductory classes) and immigrants (through classes such as ESOL) alongside areas of high-demand workforce training. **Together, it is estimated that funding these programs would add ~\$17 million to program costs in any scenario.** Cost breakdown and driving assumptions for these courses are shown below in Exhibit 2.11^{77,78,79}.

It is worth noting that at the federal government level, there have been several proposals to extend Pell grant funding to short-term, non-credit workforce programs, including the recently-proposed Bipartisan Workforce Pell Act. This Act seeks to provide financial aid to students in short-term programs aligned with state workforce demands and is intended to accelerate entry into the workforce.⁸⁰ This legislation could potentially reduce the cost of funding the non-credit bearing component of a free community college program, if adopted.

Exhibit 2.11: Cost breakdown and assumptions for non-credit bearing courses

	Enrolled students	Cost per enrollment	Total cost
High demand workforce training	~1.3k <ul style="list-style-type: none"> 1.1K enrolled students in FY 2023 Assumes 15% boost in enrollments with free community college program 	\$6K	\$8M
Developmental courses	~15k <ul style="list-style-type: none"> 60% of community college students enroll in a developmental course at some point during college Assumes 20% of headcount enrolls in one developmental course each academic year 	\$0.6K	\$9M
		Total	\$17M

Lead indicators

There are three key indicators that community colleges should track to anticipate deviations in the estimated program cost:

1. FAFSA filing rates for community college students
2. Student socioeconomic distribution
3. The impact of the FAFSA Simplification Act and other changes to federal funding

⁷⁷ Education and Training Fund Mid-Program Report, MACC (2023)

⁷⁸ Lau, C. (2020). [The Effect of Tuition-Free Community College](#), Federal Trade Commission Working Paper No. 347

⁷⁹ [Key Outcome #2 College Completion](#), Massachusetts Department of Higher Education (2014)

⁸⁰ House Committee on Education and the Workforce. (2023). [Stefanik, Scott, Foxx, DeSaulnier Legislation Tackles Workforce Gaps](#). U.S. House of Representatives

The percentage of eligible students filing FAFSA and their socioeconomic distribution will be a key indicator of program cost. Each percentage point increase of FAFSA filers can increase program cost up to \$3 million and each percentage point shift of the student body from lowest income group to highest income group will increase program cost up to \$1.7 million.

As of the 2022-2023 school year, ~20%⁸¹ of eligible⁸² community college students did not file a FAFSA and thus did not receive federal or state aid. Scenario models assume that with the introduction of a free community college program, the percentage of non-filers will drop by 10-15 percentage points – the model places this at 8% non-filers remaining. Models also assume that students previously not filing are high income, thus the program will provide them \$8,100 per FTE on average, as opposed to \$3,200 for a full-Pell-eligible student – this is a highly conservative estimate (see below). Mandatory FAFSA, using these assumptions, would make a significant impact on cost assumptions driving the estimated cost up to ~\$190-200 million if 100% of students enrolling for community college completed a FAFSA. Mandatory FAFSA for high school students would have a lower impact given demographics of community college students.

Stakeholders have noted that not all non-FAFSA filers are high-income and that some low-income students do not file for FAFSA due to a lack of awareness or resources. The assumption that all previous non-filers are high-income is a conservative overestimate of cost projections (so as not to under-cost a worst-case scenario).

A change in the amount of federal funding disbursed to students will also have a significant impact on program cost. Increases in federal funding disbursed to students will decrease the need for student financial support. The FAFSA Simplification Act has a general effective date of July 1, 2024. This program will replace Expected Family Contribution (EFC) with a Student Aid Index (SAI), expand Pell-grant eligibility, and is expected to increase the average aid disbursed to students⁸³. The analysis presented in this report uses tools provided publicly by the U.S. Department of Education Federal Student Aid Office to estimate the average aid that will be awarded to students in each income band under the FAFSA Simplification Act (see [Exhibit 2.9](#)). If disbursements do not change as anticipated by the Department of Education, this may make program costs higher.

[Additional models considered, but not recommended: first-dollar and last-dollar models](#)

Throughout the course of work, several other models were also considered but not pursued, including first- and last-dollar programs. A last-dollar model covering up to tuition and fees, with no coverage for books and supplies, is projected to cost \$75 million and provide 5% of funds to Pell-eligible students. A first-dollar model covering

⁸¹ Massachusetts Department of Higher Education student level data 2022 – 2023 school year

⁸² Eligible students are credit-bearing, non-dual-enrolled students

⁸³ [FAFSA Simplification Act Changes for Implementation in 2024-2025](#). (2023, August 4).

tuition and fees (but again, not books and supplies) is projected to cost \$275 million and provide 60% of funds to Pell-eligible students. Ultimately, stakeholders expressed a preference towards a middle-dollar model (which became the preferred, “Extra stipend for low-income students” model) because of its balance of equity and budget concerns. Modeled impacts for first- and last-dollar scenarios are shown in Figure 2.12 below.

Exhibit 2.12: Modelled impacts for first- and last-dollar models

		"Extra stipend for low-income"	First Dollar	Last Dollar
Direct benefits	Enrollments	42K (+7K)	46K (+11K)	39K (+4K)
	Completions	12K (+3K)	14K (+5K)	10K (+1K)
Indirect benefits	Wage uplift	\$280M	\$440M	\$100M
	State tax benefits	\$40M	\$60M	\$15M
Ed. costs	Tuition and fees	\$80M	\$275M	\$75M
	Books and supplies	\$50M	\$0	\$0
Living costs	Living costs	\$40M	\$0	\$0
Total Cost	Exclusive of MassRec. & nursing	\$145M	\$250M	\$50M
	Inclusive of MassRec. & nursing	\$170M	\$275M	\$75M
Equity	% to Pell-eligible	~45%	~60%	~5%
	\$ to Pell-eligible	\$75M	\$160M	\$5M

Part 2: Wrap-around elements to support student success

Wrap-around elements include both *support services* such as advising and mentoring, and *direct supports* such as transportation stipends and food assistance. Together, these resources help students to complete college. College leadership and other administrative professionals interviewed for this effort emphasized that, “If we want more students and better results, wrap-around support systems are critical.” **Expanding wrap-around support will be particularly important with the introduction of free community college, as reduced financial barriers may attract students less academically and socially prepared for college, as well as expanding the number of students from underserved backgrounds who may need more broader supports.**

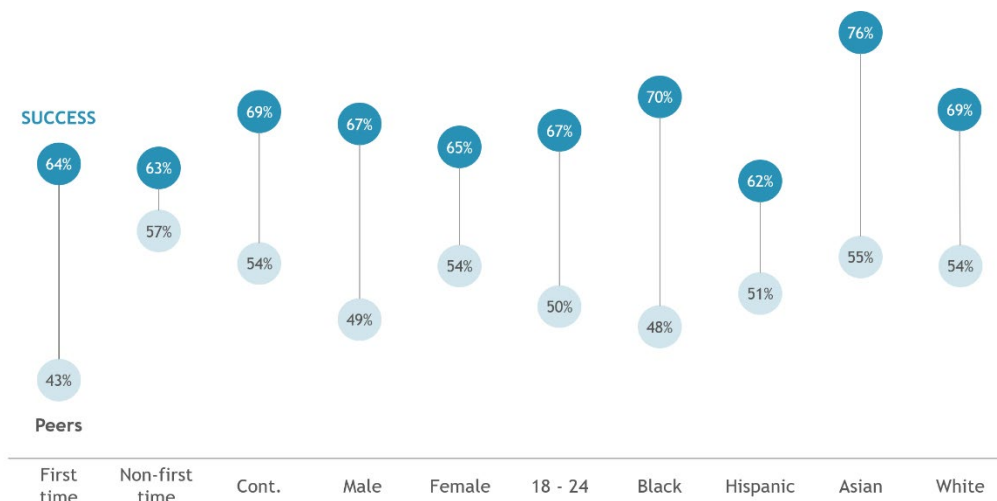
Stakeholders suggested the most effective approach would be to scale Supporting Urgent Community College Equity through Student Services (SUCCESS), a high-ROI statewide support program governed by a coordinating committee of representatives from the Department of Higher Education (DHE), MACC, and community colleges. SUCCESS invests in bolstering personnel capacity at community colleges to support students facing systemic barriers. 68% of SUCCESS funds in 2022 went to supporting 460 part-time and full-time positions, over half of which directly related to student advising or mentorship.⁸⁴ On average, students who engaged with SUCCESS were 16 percentage points more likely to persist through to the following year as compared to students who did not participate in the program, with the largest benefits occurring among Asian, Black, and male student populations.⁸⁴

Expanding SUCCESS to accommodate new enrollments and better support current students could improve persistence rates and completions (see [Case for change](#)) and achieve associated economic benefits for individuals and the Commonwealth. The program has already shown the ability to scale successfully; between FY21 to FY22, funding for the program increased and number of students engaged doubled (\$10 million to now \$14 million).⁸⁵ SUCCESS allows colleges flexibility in using funds, but all chose to offer more coaching and case management services and 90% offered academic, transfer, and career advising, along with student planning and community events.⁸⁴

⁸⁴ Marlene Clapp, Ph.D. (2023) [SUCCESS Fund Initiative Final Report: 2021-2022 Program Year](#). Massachusetts Association of Community Colleges.

⁸⁵ Commonwealth of Massachusetts. (2023). [FY24 Budget Summary](#).

Exhibit 3.1: Comparison of 2021-22 fall-to-fall persistence among SUCCESS and non-SUCCESS participants (SUCCESS Fund 2021-22 Annual Report)⁸⁶



Notes: "First time" is new first-time students (i.e., freshmen); "Non-first time" is new non-first-time students (i.e., transfers and second credential-seeking students); "Cont." is continuing or readmitted students

In considering how to scale SUCCESS within the free community college program, stakeholders discussed the potential integration of a wraparound program into a free community college program, as well as complementary elements for SUCCESS to improve its performance.

Integration into existing free community college infrastructure: Several states have integrated wrap-around supports more comprehensively into the delivery of a free community college program. Nevada Promise, for example, requires mandatory participation in a mentorship program which has improved scholarship retention from 33% to 45%.⁸⁷

Many other successful programs are managed completely independently to statewide free community college, such as the CUNY Accelerated Study in Associate Programs (ASAP) program which supports students financially, academically, and socially throughout their college experience. ASAP participants graduate at double the rates of non-participants, and a cost-benefit analysis of the ASAP program found that despite the state investing more in ASAP students, the program was found to generate a return of ~\$3.5 dollars for each taxpayer dollar invested in the program through increased completions.⁸⁸

Integrating the components of SUCCESS directly into a free community college program was explored, but following stakeholder consultation, was ultimately not

⁸⁶ Marlene Clapp, Ph.D. (2023) [SUCCESS Fund Initiative Final Report: 2021-2022 Program Year](#). Massachusetts Association of Community Colleges.

⁸⁷ Nevada System of Higher Education. (2023). [2022-23 Nevada Promise Scholarship Report](#)

⁸⁸ Levin, H. and Garcia, E. (2013) [Benefit-Cost Analysis of Accelerated Study in Associate Programs \(ASAP\) of the City University of New York \(CUNY\)](#). Center for Benefit-Cost Studies of Education

pursued. Discussion with stakeholders reiterated that the independent nature of SUCCESS is a key component of its flexibility and adaptability, rendering it as a fitting complement to, rather than a component of, a free community college program.

Incorporation of new elements: Another consideration was whether additional elements should be integrated into SUCCESS, such as direct financial supports. Benchmarking of eight wrap-around support programs in states with free community college revealed other programs tended to have more direct support elements than SUCCESS, such as such as transportation coverage, stipends for textbooks or home internet access, and more comprehensive childcare services. In Massachusetts, stakeholders noted that the 25+ age requirement of MassReconnect introduced more students with family and employment obligations into the community college network, prompting consideration of the specific supports these types of students require (e.g., childcare.)

Exhibit 3.2: Comparison of wrap-around support program elements in eight benchmarked programs

Wrap-around element	Evidence	Part of SUCCESS?	Other benchmark states
Transportation coverage	<ul style="list-style-type: none"> Non-tuition costs comprise majority of expenses, especially for students living off-campus Can yield greater persistence and completion 	✗	6/7 - NY, VA, CA, MI, WA, AR
Textbooks/internet access		✗	6/7 - NY, VA, CA, MI, WA, AR
Childcare coverage		✗	5/7 - VA, CA, MI, WA, AR
Student coaching	<ul style="list-style-type: none"> Positive impacts on persistence and completion in MA, NY, AR 	✓	4/7 - NY, MI, CO, AR
Academic & career advising	<ul style="list-style-type: none"> Higher retention as a result of advising resources 	✓	4/7 - NY, VA, CA, AR
Tutoring/academic support	<ul style="list-style-type: none"> Engagement with tutoring resources yields academic success 	✓	3/7 - NY, CA, AR
Housing and food assistance	<ul style="list-style-type: none"> Housing/food insecurity common among CC students; support can positively impact persistence 	✗	2/7 - VA, WA
Additional financial aid counselling	<ul style="list-style-type: none"> Positive impact on persistence 	✓	2/7 - NY, CO
Workforce transition assistance	<ul style="list-style-type: none"> Supports pathways to employment post-graduation 	✗	2/7 - CO, AR
Mental health/wellness counselling	<ul style="list-style-type: none"> May support certain students who require it 	✓	1/7 - CO

Most common

Least common

Although stakeholders agreed that integrating more direct financial supports into SUCCESS might be an eventual goal, this was not recommended given the stipend component of the proposed ‘preferred’ program. A stipend would grant high-need students additional funding to cover non-educational expenses, playing the same role as more direct financial support as part of a wrap-around program.

Consultation suggested additional funding should be allocated to expand and scale SUCCESS to complement free community college. To date, SUCCESS has played a critical role in supporting students in the Commonwealth facing systemic barriers, which is a mission that should be sustained in the context of an expansion. SUCCESS is currently funded at \$14 million in the state budget, with a goal of

increasing to \$18 million by FY25.⁸⁹ Stakeholders expressed several potential avenues for expanding SUCCESS in light of enrollment uplift from free community college, which have been costed out at a high-level:

- 1) Expansion of SUCCESS to **all new students under the current eligibility criteria** would cost an additional ~\$7-10 million annually.⁹⁰
- 2) Expansion of SUCCESS to **all students taking 6+ credits** would cost an additional ~\$40-60 million annually.

Keeping SUCCESS as an annual appropriation, rather than a grant, was noted by stakeholders as an important component of the program's sustainability and that it would not be desirable to compromise this as part of achieving expansion. Given that the bulk of SUCCESS expenditures go towards support staff positions, sustainability is particularly critical for all program stakeholders.

In funding an expansion of SUCCESS, legislators could consider requesting a focus on specific areas such as transfer and workforce services, including bolstering outreach to prospective transfer students, improving transfer-oriented programming across campuses, or directing some portion of funding towards fostering workforce connections including paid internships and experiential learning opportunities for students. Stakeholders also raised the potential for funds to be directed towards improving linkages between students and state-supported programs, including Child Care Financial Assistance and food and housing programs. While directives of this type may compromise some of the flexibility of the program, they have the potential to improve persistence, completions and workforce outcomes, ultimately maximizing the ROI of a free community college program and achieving better lifetime outcomes, particularly for students facing barriers.

⁸⁹ Stakeholder interview

⁹⁰ Costing is high-level, indicative only, and assumes some economies of scale in the program.

Part 3: Capacity needs

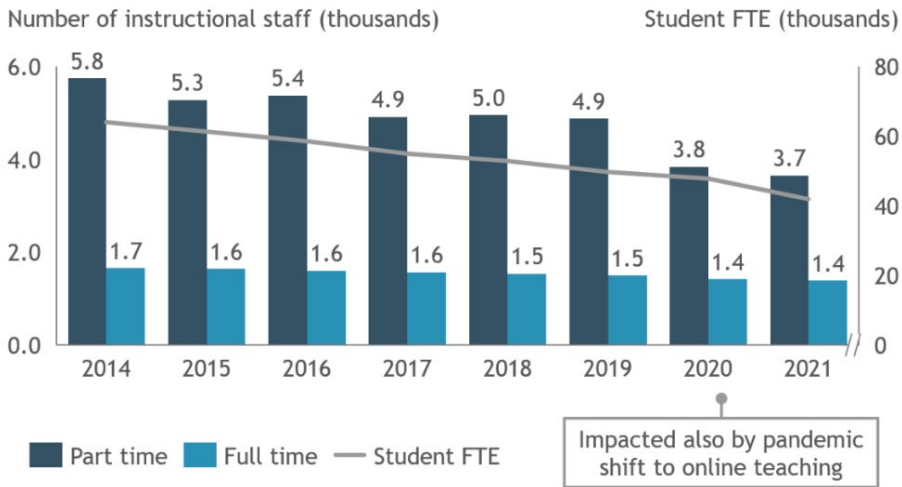
Staff and faculty requirements

Faculty recruitment and retention

Since 2014, faculty counts at Massachusetts community colleges have been steadily declining in line with reductions in overall student enrollment (see Figure 4.1). While student-instructional staff ratios have stayed roughly constant, colleges report increasing difficulties recruiting new faculty to replace those who leave.

Engaged faculty are essential to enacting a successful free community college program. A new free community college program is expected to raise student FTE by 16% between FY22 and FY27. Maintaining current student-staff ratios may necessitate the recruitment of additional faculty, which could prove difficult. Community college leaders report multiple consecutive failed searches for professors. One campus administrator notes that their school had “failed five to six searches last spring alone.” While shifts to online modalities due to the pandemic have, in some cases, allowed teachers to manage more students, these modalities are unlikely to be the best method to teach all new students: both retention of existing faculty and hiring of new faculty are likely to still be required.

Figure 4.1: Change in instructional staff FTE in Massachusetts over time⁹¹



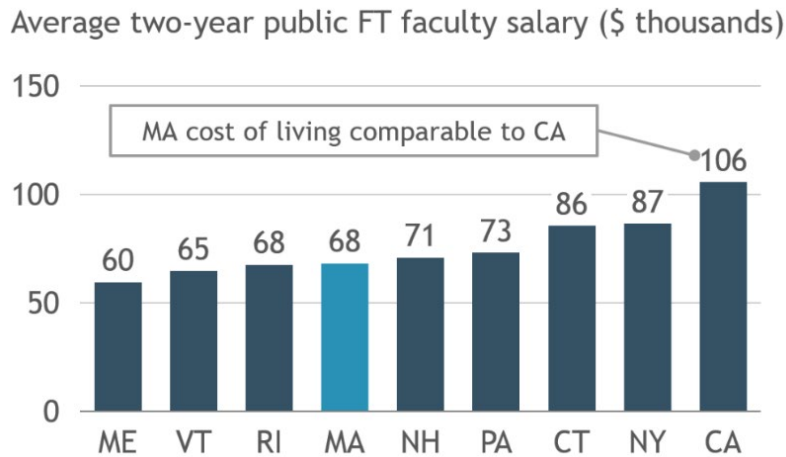
Faculty compensation is a major contributor to difficulties attracting and retaining staff. Analysis of publicly available data regarding two-year full time professor salaries shows

⁹¹ IPEDS Trend Generator; [Adjusted 9-month average salary](#) Massachusetts Department of Higher Education; [Community Colleges—Annual Full-Time Equivalent \(FTE\) Enrollment](#); PT = part time; FT = full time; FTE = full time equivalent

Massachusetts lags peer states in terms of faculty compensation, and that compensation has been falling. According to the National Education Association, the average salary for community college professors in Massachusetts in 2023 was ~\$68,000 (not including benefits).⁹² Between 2018 and 2021, Massachusetts community college full time faculty compensation fell 7%.^{93,94}

After adjusting for cost-of-living, Massachusetts is 25% below the US average for community college compensation, ~44% lower than California, a state with a similar cost of living and ~6% lower than other states in the Northeast.⁹⁵ Even within Massachusetts, the average community college professor makes 33% less than their counterpart at a four-year public institution.⁹⁶ Evidence from candidates who have turned down job offers at community colleges has indicated that compensation is the number one factor preventing candidates from choosing Massachusetts community colleges.⁹⁷

Exhibit 4.2: Comparison between states regarding full-time, community college faculty salaries



⁹² National Education Association. (2023). [Collateral Damage: Effects of the Pandemic on Academe, Continued](#).

⁹³ National Education Association. (n.d.). [Higher Education Faculty Pay](#) | NEA.

⁹⁴ Acknowledging nuance, e.g, salaries vary depending on tenure, figures are based on averages.

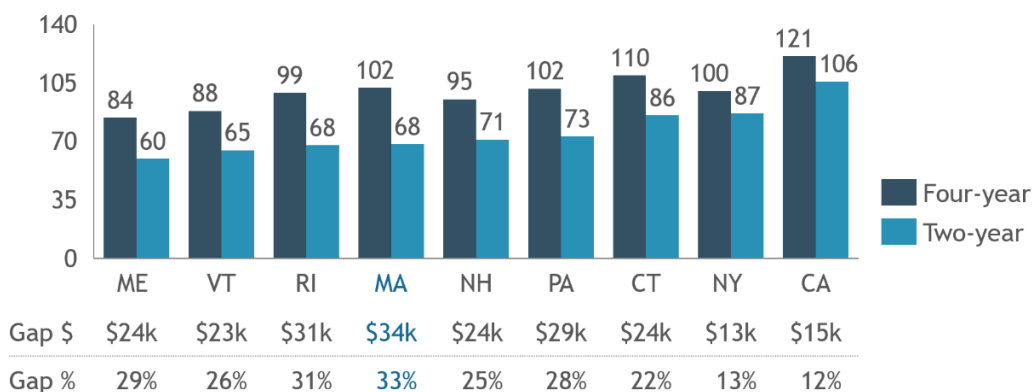
⁹⁵ MassINC. (2023). [Getting Question 1 Right: Investment Options for Equity in Public Higher Education](#).

⁹⁶ IPEDS Trend Generator; [Adjusted 9-month average salary](#)

⁹⁷ Stakeholder Interview

Exhibit 4.3: Comparison between four-year public and two-year public faculty salaries in several peer states (peers defined both geographically, and in terms of cost of living)⁹⁸

Average public two-year vs average public four-year faculty compensation (\$ thousands)



Understanding part-time salary sufficiency is more challenging. Adjunct faculty work variable numbers of credit hours, making a nuanced comparison across states and settings challenging. Analysis of job postings were insufficient to build a perspective on this point, suggesting more information is required.

Acknowledging faculty are essential to a free community college program, stakeholders have reiterated compensation is a critical component of hiring and retention. The Commonwealth should take steps towards improving compensation and benefits:

- Full-time faculty: Stakeholders have indicated salary and benefit benchmarking has not been done in some time. Massachusetts should benchmark full-time salary as a foundational step to proposing salary increases.
- Part-time faculty: Limited public information is available regarding pay rates per credit hour taught, making even preliminary conclusions around part-time salaries challenging – further information would be valuable.

Massachusetts should ultimately consider a salary survey, with the intention of acting on feedback and potentially raising faculty compensation. If the Commonwealth were to elevate the compensation of its current full-time community college faculty to align with the Northeast average gap between two- and four-year salaries (~9-10% increase) this would entail an additional ~\$15 million annually to cover full-time salary and benefits.

⁹⁸ National Education Association. (n.d.). [Higher Education Faculty Pay](#) | NEA.

Staff needs beyond faculty

Beyond faculty, two main types of roles may be impacted by increased student enrollment. Stakeholder interviews indicate groups likely to be affected include:

- 1) **Front-Line student staff:** including but not limited to financial aid counselors, admissions and enrollment staff, academic and general advisors, orientation services, disability services and career services.
 - a. Certain staff in this category will be particularly impacted, including financial aid and admissions staff
- 2) **Service and support staff;** including but not limited to IT support, disability services, security, maintenance staff, and culinary staff.

Stakeholder consultation has emphasized that more support in these areas may be required to manage increased student numbers. Hiring more staff may be unavoidable, however, it can be challenging to hire in some areas. For financial aid staff, for example, four-year colleges are a simpler working environment: two-year institutions manage higher rates of aid refunds and must decline aid at higher rates given open enrollment. Aid teams cite longer hours and greater challenges at community colleges alongside worse compensation and fewer resources; making it more difficult to attract and retain talent. Improving salary and benefits for some groups of staff may make community colleges a more attractive place to work, however detailed comparative analysis would be required across roles to suggest specific ranges.

In some instances, community colleges could implement methods to manage student numbers beyond hiring staff. Several benchmarks have leveraged training and technology to improve operational efficiency:

- **Using technology to improve staff productivity:** Some colleges and states incorporated video conferencing (e.g., Zoom) to serve students more productively at times convenient for them, and to serve larger forums of students. Colleges have also implemented online tools, performance tracking platforms (e.g., Ellucian, Starfish, etc.), and videos to increase advisor productivity and address frequently asked questions.
- **Training staff to work with larger groups:** Some colleges in other states incorporate continuous per-semester learning sessions for faculty and advising staff to navigate larger groups and learn group management tactics as student numbers flex.

The need for additional staff could also be mitigated in some cases by implementing process improvements. For example, stakeholders highlighted that financial aid consolidation could reduce the work for financial aid officers significantly. More on this is discussed in [Process changes](#).

While potential numbers of staff have not been estimated in detail at this point, additional staff costs required have been estimated and included as part of the section [Impact on college variable costs](#). Productivity and process improvements may decrease these cost estimates.

Facilities considerations

Facilities were a concern brought up by stakeholders during the consultation process. Through interviews with community college personnel, focus groups with Chief Financial Officers from community colleges, and information collected from DCAMM reports, three key points became apparent:

1. Given recent enrollment declines, existing classroom footprints may have sufficient space

Community colleges in Massachusetts have experienced enrollment declines over the last decade.⁹⁹ Even with increases expected as a result of a free community college program, enrollments are unlikely to surpass 2019 levels, suggesting colleges as a whole will have sufficient classroom capacity to manage new students (see [Estimated program impacts](#)). In addition, hybrid learning capabilities implemented due to the COVID-19 pandemic have expanded the ability of colleges to accommodate learners. However, it is important to note that hybrid learning is a supplemental benefit to classroom space, rather than a replacement. New students may prefer or be better suited to an in-person rather than virtual learning modality.

While floorspace may be adequate as a whole, each college has its own unique space needs and potential enrollment upticks; individual college floorplans have not been modelled and classroom space challenges may arise from new enrollments on a college-specific level dependent on these factors.

2. There remain real concerns around building conditions, despite attention from DCAMM

Despite investment from the Commonwealth in recent years, stakeholders routinely cite a need for investment to keep physical spaces safe, accessible, and equipped to enable meaningful learning.

Community colleges have a substantial backlog of deferred maintenance, ranging from tens to hundreds of millions of dollars; funding from the Commonwealth covers less than 10% of this backlog at most colleges.¹⁰⁰ Deferred projects include structural improvements, HVAC updates, mold and asbestos removal, ADA¹⁰¹ compliance, and

⁹⁹ Massachusetts Department of Higher Education, [Community Colleges—Annual Unduplicated Student Headcount](#)

¹⁰⁰ Focus Group with CFO Stakeholders

¹⁰¹ Americans with Disabilities Act

other critical upgrades; limited resources are available to address these issues, which can lead to persistent safety and building quality issues.¹⁰²

Facilities Assessment Reports compiled by DCAMM have assessed needs at each college, estimated cost, and highlighted critical needs. Early action to resolve these issues could preempt more extensive facilities maintenance in the future.

Increased enrollment is likely to drive operational overhead and regular maintenance costs. These costs have been estimated in the [variable cost to colleges](#) section of this report but are noted here due to their relevance to facilities. Investment in existing outstanding maintenance needs would provide a higher-quality environment for students and faculty worthy of the investment in community college being made more broadly.

3. Targeted investment in key areas could help a free community college program achieve its full potential, including skills-based spaces, technology upgrades, and faculty and staff offices

College leadership and workforce development stakeholders cite investment in and upgrades to space and equipment as necessary to enable meaningful and relevant learning.

As environments focused on workforce preparation, community colleges require academic spaces and equipment for relevant skills-based experiences (e.g., lab space, simulation equipment, computer labs, manufacturing shops). Modern technology helps students gain familiarity with tools and resources for existing and future jobs. Further, investment in core technology infrastructure, such as Wi-Fi hotspots on campus, can support students to be successful particularly if they lack this technology at home. These upgrades and investments are costly, so are often deferred.

Tactical investments are especially important when these spaces fill necessary workforce skills gaps; without exposure to modern manufacturing tools, for example, aspiring solar engineers will either have a steep learning curve in the workforce or be unable to secure jobs. It is worth noting that some of this investment could be tackled by leveraging the existing Massachusetts Skills Capital Grants Program, a state-funded initiative currently budgeted at \$20 million which provides grants for equipment and improvements to enhance technical education and training in alignment with regional economic and workforce development priorities.¹⁰³

Finally, stakeholders cite existing capacity challenges in faculty and staff office spaces, though these vary by college. Increases to faculty and staff could exacerbate these issues. Some colleges may need to repurpose space to accommodate new hires or reconsider space allocation.

¹⁰² Stakeholder interviews; Focus Group with CFO Stakeholders

¹⁰³ Commonwealth of Massachusetts. (n.d.-a). [Massachusetts Skills Capital Grant Program](#). Mass.gov.

Impact of free community college on college variable costs

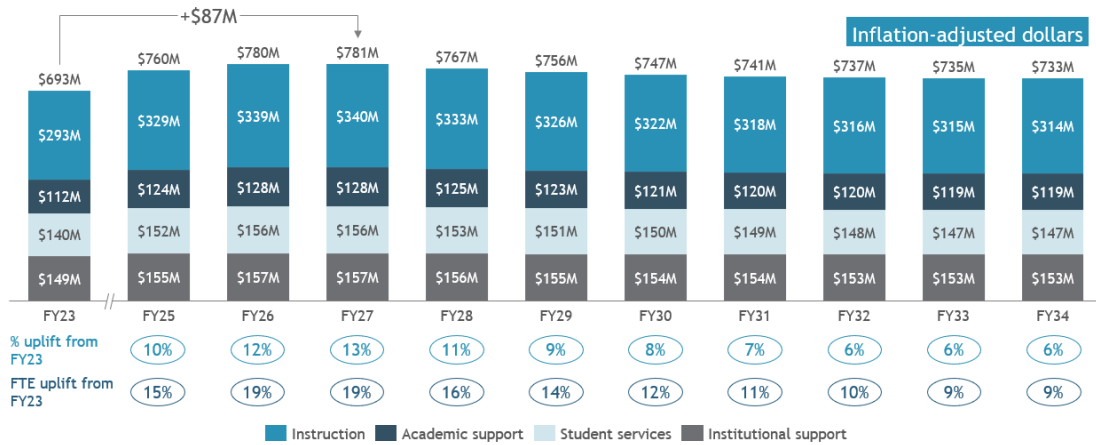
Increased student numbers from free community college will have an impact on broader college costs, supplemental to the costs necessary to enable make community college free for students. As part of this work, changes to variable costs were estimated to understand potential budgetary impacts. These costs may have implications for regular Commonwealth budget appropriations.

Four categories of variable costs were examined as scaling with enrollment. These are:

- Instructional costs
 - Salaries, benefits, professional development for instructors and professors, classroom materials and supplies, classroom technology and equipment, and costs related to the upkeep of classrooms, labs, and other instructional spaces
- Academic support costs
 - Includes tutoring services, library services, services dedicated to specific subjects or skills to support student learning, and supplemental instruction programs.
- Student services costs: cost of financial aid staff, enrollment, and registration offices
 - Includes financial aid staff, enrollment, and registration offices, counseling services, health services, career services, and student activities costs,
- A portion of institutional support costs
 - This does not include costs for central administrative staff, but does include groundskeeping, maintenance, and other variable staff who may be impacted by increases in student numbers.

Historical cost analysis suggest that costs will grow slower than enrollments given the fixed nature of many budget items. Using historical cost growth information and after adjusting for inflation, costs to colleges have been modeled to peak in FY27 at \$87 million higher than FY23 values (taken across all 15 community colleges).

Exhibit 4.4: Expected change in costs to colleges, incremental to FY23 values



This additional \$87 million is comprised of:

- Instructional costs: \$47 million
- Academic support costs: \$16 million
- Student services costs: cost of financial aid staff, enrollment, and registration offices: \$16 million
- A portion of institutional support costs: \$8 million

The Commonwealth may want to consider this increased need for college support in how they consider the overall budgetary impact of this program. Short-term costs felt by colleges will likely be staff-related (instructional and student services costs) as a result of increased financial aid staff requirements to manage an additional new program (see [Process changes](#) and [Staff needs beyond faculty](#)) and the need to hire more faculty to teach classes (see [Faculty recruitment and retention](#)). Some of this cost may be mitigated by implementing process changes (see [Process changes](#)).

Part 4: Policy considerations and process changes

Considerations for a sustainable funding model

Stakeholder interviews raised funding sustainability as a key concern when it comes to free community college. Broadly, stakeholders pointed out that a free community college funding model will require sufficient resources for students beyond tuition, sufficient funding resources for institutions, and a sustainable budget that can scale with increasing costs.¹⁰⁴

Benchmarking of other states shaped three key considerations in choosing a sustainable funding model for free community college:

1. **Funds source:** where will funding for the program come from?
2. **Funds oversight:** who manages the funds, and where are they stored?
3. **Allocation:** how do funds flow to supporting students?

Research and consultation suggest the Legislature could consider:

1. **Funds source:** The proposed program could be funded through a direct appropriation from the state budget tied to a source of revenue such as the Fair Share amendment. To support program sustainability, **the Legislature could consider a trust fund be designated for free community college, replenished with recurring allocations.** This could effectively serve as a recurring annual allocation for the program, reducing issues with budget volatility, but comes with legislative and budget trade-offs.
2. **Funds oversight:** Several oversight models could be considered, including oversight by the legislature, Executive Office of Education/Department of Higher Education or Executive Office of Administration and Finance, as well as other models that have a range of stakeholder input. This is for further exploration between this initial report and the final report.
3. **Allocation:** Funding for a free community college program should be disbursed to institutions at the beginning of each semester through a direct payment model, ensuring predictability for both institutions and students. After allocation, institutions could then work collaboratively to facilitate efficient reallocation if required. MassReconnect implements a similar model.¹⁰⁵

¹⁰⁴ Stakeholder interview

¹⁰⁵ Office of Student Financial Assistance; [2023-2024 MassReconnect Guidelines](#)

These considerations were informed by the below research, consultation, and benchmark findings:

Funds source – where will funding for the program come from?

Funding for free community college programs can come from either public or private sources and is generally held within a budget line item or an endowment.

- 1) **Public vs. private funding:** Most states allocate public funding through either the state budget general fund or earmarked specific revenue. Some programs leverage private funds to match state contributions, but this is more common at the local rather than statewide level and therefore was deprioritized here.
- 2) **Budget line item vs. endowment/trust fund:** Most states fund free community college through a **budget line item**, either one-time or tied to a recurring revenue source. Line items are subject to volatility based on revenue availability. If tied to one-time sources such as federal relief funds, these can be unsustainable. Oklahoma subverted this issue by funding the Oklahoma Promise “off the top” of the state’s General Fund, securing funding before the state budget is created, protecting it from budgetary or revenue constraints.¹⁰⁶

Several states establish a **separate trust fund or endowment** for program funds. This can be sustained via direct budget allocation or a separate source of revenue (e.g., taxes or lottery). Massachusetts currently utilizes trust funds for various other initiatives, including the Economic Empowerment Trust Fund, Workforce Competitiveness Trust Fund, and Student Opportunity Act Investment Fund. These are funded either through General Fund transfers or public-private partnerships.¹⁰⁷ While this method protects funds, funding sources must be recurring to maintain sustainability.

Several states have implemented this method to fund their free community college programs. Tennessee used surplus lottery revenue to create an endowment with a minimum non-spendable amount of \$361 million, which has grown to \$775 million since 2014.¹⁰⁸ The fund is replenished with lottery proceeds and self-generated investment income, allowing any amount beyond the principal to be spent on scholarships.¹⁰⁸ Maine and Virginia implement a hybrid model by establishing a separate fund which is replenished via allocations through a budget line item.¹⁰⁹ This method benefits from the relative insulation of funds but is still subject to budget volatility if appropriations change from year to year.

¹⁰⁶ [Oklahoma's Promise](#). (2023)

¹⁰⁷ Stakeholder interview

¹⁰⁸ Spires, L, and Mumpower, J. (2022). [Tennessee Promise: 2022 Update](#). *Tennessee Comptroller of the Treasury*

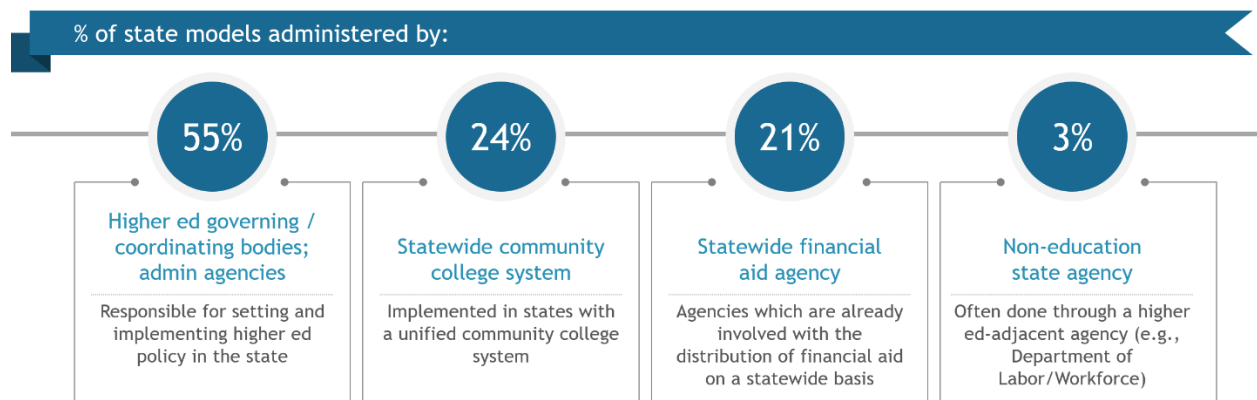
¹⁰⁹ Benchmarking of state funding models for free community college

Funds oversight – who manages the funds, and where are they stored?

Massachusetts currently administers most state financial aid programs through the Office of Student Financial Assistance within the Department of Higher Education (DHE). DHE manages verification of eligibility and distribution of funds, working with the Office of the State Treasurer, where funds are ultimately stored.¹¹⁰ For most aid programs, institutions are allowed considerable discretion in awarding funds to individual students.¹¹¹ Stakeholders believe this discretion is appropriate, but there are complexities around allocation and the awarding process which may be addressed through more collaborative supervision.

In other states, programs are managed by higher education governing or coordinating bodies and their respective administrative agencies (like DHE). Some states have programs managed by a statewide community college system, or a statewide higher education financial aid agency, while a few programs delegated this responsibility to non-education agencies.

Exhibit 5.1: Benchmarking of fund management mechanisms for free community college programs



Benchmarks suggest several factors should inform decisions around an administrative body:

- Proximity of the managing body to the community college ecosystem and stakeholders
- Proximity to the budget source, to reduce administrative burden in budgeting and disbursement
- Familiarity with the state budget, particularly for higher education
- Proximity to other financial aid programs administered by the Commonwealth

¹¹⁰ Stakeholder interview

¹¹¹ Imboden, B. A. (2023). [Rising Barriers, Shrinking Aid](#). *Hildreth Institute*.

The Legislature could consider various oversight models, including oversight by the legislature, Executive Office of Education/Department of Higher Education or Executive Office of Administration and Finance. This may be a topic of further consultation until the final report date.

Allocation of funds to institutions – how do funds flow to support students?

There are several ways for states to allocate funds to institutions. Currently, Massachusetts relies on a variety of disbursement models, many of which are used by other state free community college programs.

MASSGrant and MassReconnect use a **direct payment** model semi-annually, informed by institutions' estimates of funding needs. Direct payments are convenient, effective, and well-timed, but stakeholders suggest there is limited flexibility in the movement of funds between institutions after they have been allocated. Furthermore, stakeholders noted that "due to the nature of last-dollar grants, many schools have to manually calculate eligibility and it can take all semester for them to determine a final amount for everyone."¹¹²

There are other financial aid programs that require colleges to verify eligible students to be **reimbursed** by the Commonwealth. While this model is precise in its reliance on verified enrollment numbers, it is subject to inconsistent timing and piecemeal distribution of funds as student numbers are not verified until after the semester has started. Overall, this method also imposes a greater administrative burden on financial aid offices, which is associated with student verification.

When looking to other state free community college programs, most use one of these two methods, but a small minority (e.g., NY Excelsior) require **individual institutions to fund programs (no allocation)** – i.e., the state asks community colleges to fund free tuition and fees themselves.¹¹³ This was not explored further as it was not thought to be sustainable.

The key difference between a direct payment model and a reimbursement model is state positioning:

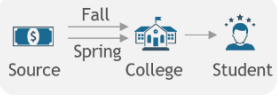




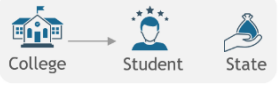




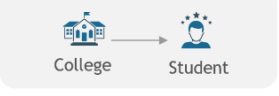




- Under direct payment, the state distributes funding to institutions in increments, based on a pre-determined schedule.
- Under a reimbursement model, institutions cover the upfront costs of students' financial aid and are reimbursed by the state after verifying the number of eligible students.

These differences are accompanied by tradeoffs in timing, administrative burden, cost to institutions, and the availability of funds, explored in Exhibit 5.2.

¹¹² Stakeholder interview

¹¹³ Stakeholder interview

Exhibit 5.2: Comparison of allocation models for free community college funds

Allocation model	Important criteria			
	Timing to institutions	Administrative burden	Financial cost to institutions	Availability of funds
Direct payment Funding flows from the state or endowment directly to institutions 	 Funds distributed semi-annually	 Formula relies on historic utilization	 Timing minimizes upfront costs	 Difficult to transfer funds among schools
Reimbursement Institutions verify student eligibility and “request” funding from the state to be reimbursed 	 Distributed after semester begins	 Relies on verified, exact enrollments	 Institutions must fill funding gap	 Piecemeal distribution
No allocation Institutions fully fund programs and distribute financial aid funds to students independently 	 Varies by institution context	 No coordination among schools	 Subject to revenue volatility	

Management of price growth

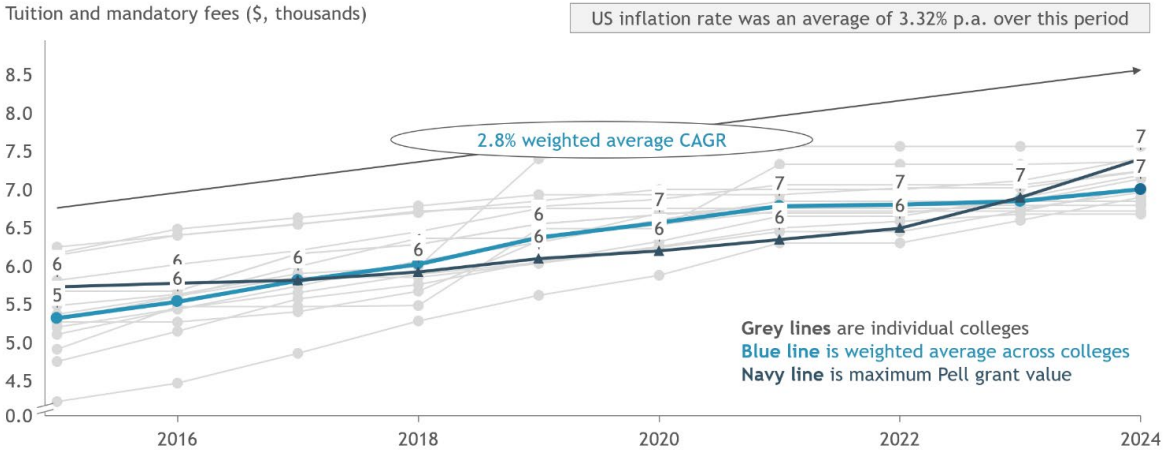
To deliver a free community college program, tuition and fee setting is an important consideration. Growing costs at colleges may necessitate increases in tuition and fees, in turn increasing the budget required to deliver free community college. Coordination is critical between the Commonwealth and colleges to ensure funding is both sustainable and sufficient.

For many years, the Board of Higher Education in Massachusetts has set tuition rates for in-state students. This has generally been at a low, relatively flat level as tuition revenues flow back to the General Fund – an uncommon practice across most other states.¹¹⁴ Fee-setting is left to the discretion of individual colleges’ Boards of Trustees, with fees retained by colleges themselves. There are many considerations in the fee-setting process, in part determined by institutions’ individual contexts such as geography, course offerings, and college size.

In Massachusetts, community college fees have historically grown and are likely to continue to do so – this is understandable in the context of factors such as inflation. However, predictability and oversight over this growth becomes increasingly important for the Commonwealth in the context of the promise of free community college funded by the state.

¹¹⁴ Colorado, Laterman, and McCoy Simmons. (2022). [State Tuition, Fees, and Financial Assistance Policies 2022](#). State Higher Education Executive Officers Association

Exhibit 5.3: Average tuition and mandatory fees at Massachusetts Community Colleges, 2016-2024¹¹⁵



During consultation, all stakeholders expressed concerns around the impact of tuition and fee increases on program sustainability. If tuition and fee setting becomes unbalanced (tuition and fees rise higher than the budget available for the program, or the program budget does not rise in line with increasing costs to cover tuition and fees), a free community college program is placed at risk. Any change to the process of tuition and fee setting would be a significant shift to the status quo, requiring Legislative action.

Options for the Legislature regarding price control will be a focus of consultation up to the final report date. At the highest level, initial examination revealed a range of strategies employed by different US states in setting tuition and fees.

Of the 33 states that currently offer a free community college program:

- 17 states delegate tuition-setting responsibility to **system-level governing agencies** (e.g., CUNY Board of Trustees, or the Maine Community College System Board of Trustees).
- 12 states set tuition and fees at the **individual college** level, via Boards of Trustees.
- Two states (Washington and Wyoming) leverage a **blended approach**, in which a central body for higher education sets tuition and individual colleges set their own fees.
- One state (California) has tuition set by the **Legislature**.
- One state (Maryland) delegates decisions to **institutional presidents**, specifically.¹¹⁶

¹¹⁵ DHE Data Center (2023), [Tuition & Mandatory Fees](#); US Bureau of Labor Statistics (2023), US Bureau of Labor Statistics (2023), [CPI Inflation Calculator – it is noted that some colleges have identified DHE tuition and fees data to not be accurate, this information should be considered a general reflection only using best available information](#)

¹¹⁶ Education Commission of the States. (2022, September 20). [Postsecondary Affordability - Education Commission of the States](#).

There are, of course, several other options such as joint bodies or commissions – these will continue to be explored as the final report is being drafted. Any future recommendation will be informed by a set of core values, including sustainability, collaboration, and joint accountability for the success of a free community college program.

For the purposes of this draft, a few examples were explored to show how budgeting and tuition & fee setting in free community college programs are balanced, showing examples of varying degrees of control by the state:

- **Tennessee** maintains a close level of control over tuition and fee prices, using a capped growth model. The Tennessee Higher Education Commission (THEC) sets a binding annual range of increase for in-state tuition and fees at all public institutions, considering factors such as student accessibility, enrollment trends, inflation, and available state funding.¹¹⁷ Tennessee’s endowment-based scholarship model, also managed by THEC, then pays tuition and fees for free community college, tied to excess lottery revenues and subject to annual state appropriations (see [Considerations for a sustainable funding model](#) for more details). Caps on fee growth provide THEC predictability around future endowment outflows.
- **Maine** maintains a moderate level of control over tuition and fees, through centralized management. The Maine Community College System’s Board of Trustees maintains full responsibility for setting these rates for all seven of Maine’s community colleges. While the Board acts with relative agency, it reports directly to the state Legislature, and must maintain close contact with Legislative stakeholders.¹¹⁸ By managing rate setting through a centralized agency, Maine can readily align costs with available funding: as the Board is also responsible for creating the operating budget for Maine’s free community college program and requesting requisite appropriations from the state’s General Fund.
- **Michigan** maintains a looser level of cost control than Tennessee or Maine, with incentives used to moderate autonomy. The state uses an incentive model for institutions, leaving colleges free to set their own rates but tying supplementary funding to keeping increases below a stated threshold, which varies annually based on available state funding and other economic factors. While not binding, this serves as a “weak” tuition cap, encouraging colleges to keep increases conservative.¹¹⁹ This provides some predictability for Michigan’s Reconnect program, which is managed on a state level and funded via annual

¹¹⁷ [Tennessee Higher Education Commission votes to hold tuition flat at Tennessee public institutions in 2022-2023 academic year](#). (n.d.).

¹¹⁸ Title 20-A, §12706: [Powers and duties of the board of trustees](#). (2017).

¹¹⁹ Kelchen, R. Midwestern Higher Education Compact. (2017). [Tuition Control Policies: A Challenging Approach to College Affordability](#). [Policy Brief]

appropriation.¹²⁰ Annual appropriations allow the state to react to rate changes on an annual basis and determine coverage based on political and economic landscapes; the tuition incentive structure helps mitigate extensive increases in required funding.

Process changes

Stakeholder interviews and focus groups indicate increased enrollment from a universal free community college program may strain some college processes.

Stakeholders cite three core areas that may be challenged:

1. Financial aid
2. Admissions, enrollment, and registration
3. Academic and transfer advising

Financial aid

Financial aid was highlighted as the most important area that may be challenged:

- a. Financial aid teams are already overburdened by the fragmented and overlapping nature of public aid programs available in the Commonwealth; another new program could further complicate this
- b. A new free community college program could also increase the quantity of FAFSA support required and aid forms to process, and increase queries to financial aid officers

These are explored in more detail below.

a. Fragmented and overlapping programs: A new free community college program will further complicate the landscape of aid programs in Massachusetts. As of December 2023, the Commonwealth has over 35 public funding programs, many with overlapping coverage.¹²¹ Stakeholders refer to the current state aid landscape as “last-dollar fight club,” where aid directors must compare and separate last-dollar programs to apply aid.

Stakeholders report it takes meaningful administrative effort to determine funding hierarchy and award aid. Administrative capacity is consumed through return-of-aid processes, triggered by shifts in eligibility throughout the semester. The complexities of these issues absorb valuable financial aid officer time and make their jobs more challenging, impacting the ability of colleges to attract and retain financial aid talent.

Aid recipients are not always sure of which programs they are making use of, which can lead to misunderstanding at best, and loss of coverage at worst. This is especially


¹²⁰ [Gilchrist highlights expansion of Michigan Reconnect](#). (2022, August 31).

¹²¹ Massachusetts Department of Higher Education (n.d.). [State Financial Aid Programs](#). Office of Student Financial Assistance.

challenging when it comes to “free” programs as student expectations are high and highlights the importance of effectively communicating any requirements to maintain funding.

Exhibit 5.5: The existing aid landscape is overlapping and fragmented – a new program will extend overlap and further complicate the landscape^{122, 123, 124, 125}

	Any Age	Any Program ¹	Any Income	Part Time	MA Residency ²
Pell Grant Tuition & fees + school-related expenses (first dollar)			Determined by need		USA
Need-Based Tuition Waiver + Cash Grant Tuition (waiver) & fees (grant) (last dollar)			Determined by need		
Boston TFCC Plan Tuition & fees + school-related expenses + outstanding debt up to \$2,500 (last dollar)		Any program, select colleges			City of Boston
Nursing Financial Aid Scholarship Tuition & fees + books & supplies (last dollar)		Nursing			
MASSGrant Tuition & fees (last dollar)			Determined by EFC	FT	
MASSGrant+ Tuition & fees + books (last dollar)			Determined by need after aid		
MassReconnect Tuition & fees + books & supplies (last dollar)	> 25				
New Program (Preferred Stance) Tuition & fees + stipend (middle dollar)					



The large number of aid programs challenges administrators, confuses students, and results in redundant financial aid offerings

11. "Any program" refers to program of study, not institution – most Massachusetts programs only applicable at public institutions as outlined in section 5 of chapter 15A of the General Laws (MASSGrant covers additional institutions); 2. "MA residency" refers to a requirement that applicants be a permanent legal resident of Massachusetts for at least one full year prior to the opening of the academic year

The Legislature could consider the implementation of a universal free community college program as a good opportunity to **streamline existing aid programs**. Streamlining would require intentionality around what existing protections for current funding line items are in place; while stakeholders would be pleased with a simpler landscape, they recognize the need to protect aid funding year-over-year. It would also require proactive Legislative action, given many scholarships are funded out of earmarked line items.

If the Legislature does choose to pursue a re-organization of the public aid landscape, it may present a good opportunity to repurpose scholarships to focus on areas of workforce need. Workforce-oriented programs are a high-impact, high-ROI opportunity (see [Workforce considerations](#)). In a revised financial aid landscape, supplemental

¹²² Massachusetts Department of Higher Education (n.d.). [State Financial Aid Programs](#). Office of Student Financial Assistance.

¹²³ Federal Student Aid. (n.d.). [Federal Pell Grants: Am I Eligible?](#)

¹²⁴ Commonwealth of Massachusetts. (2023, August 24). [Governor Healey launches free community College for Massachusetts residents 25+, delivers \\$100,000 to each community college for implementation](#). Mass.gov.

¹²⁵ Commonwealth of Massachusetts. (2023, October 17). [Healey-Driscoll Administration Celebrates New Scholarship Program that Covers Tuition for Community College Nursing Students](#). Mass.gov.

programs could provide support to pursue majors in key fields, expand supplies and resources to students in targeted industries (e.g., providing additional funding to cover increased cost of materials required in advanced manufacturing programs), expand the existing Massachusetts High Demand Scholarship Program, or support non-credit programs targeted at current workforce gaps in the Commonwealth.

Regardless of efforts, the Legislature and relevant agencies such as DHE should aim to provide clear delineations between financial aid programs, and detailed instruction on where the new program sits within existing funding hierarchies to minimize capacity impacts on financial aid teams.

b. FAFSA support required: The introduction of a new free community college program could increase capacity demands related to FAFSA processing and student support. A new program requiring students to complete a FAFSA form to qualify will increase processing volume and support and guidance required for prospective students. In the context of an already strained system, this additional volume could increase challenges for financial aid teams.

As FAFSA is managed on the federal level and therefore cannot be modified by colleges or the Legislature, capacity should be optimized in other ways including through clearer aid allocation processes, increased funding for staff, or additional coaching and guidance on financial aid questions at a system level.

Admissions, enrollment, and registration

Admissions, enrollment, and registration processes include submission and processing of application forms; scheduling, proctoring, and grading of placement tests; planning and execution of orientation programming; and communication and execution of course registration. Each of these processes require lead time before classes start; **free community college may exacerbate existing capacity challenges by increasing the number of students applying to and enrolling in community colleges.**

Left unaddressed, such a surge could limit availability for mandatory orientation programming or popular classes, slowing student progress towards graduation or transfer outcomes and adding administrative burden to schedule and staff alternative sessions.

Interviews with community college stakeholders suggest this impact could be mitigated through improved demand planning capabilities. Several colleges have shared their own approaches to managing individual issues, indicating it may be helpful for colleges to share best practices. While there is no one optimal solution, community colleges in Massachusetts have successfully implemented solutions such as:

- Spring registration for returning students, to focus administrative load at the beginning of the year on incoming students
- Incentives provided to new students who register earlier in the process
- Enrollment events for new students, setting up resources such as applications, financial aid forms, orientation signup, and course enrollment in a “one stop shop” environment

Stakeholders also brought out the importance of a robust orientation process, with colleges offering a wide range of programs of varying intensity. With any changes to enrollment and orientation, colleges should continue to consider it important to meaningfully connect students to individuals and the college early in their studies, to support their ongoing persistence.

Academic, career, and transfer advising

Academic, career, and transfer advising services offer critical support for students. This is highly individualized; interaction with advisors is integral to success. **Stakeholder interviews suggest increased enrollment will increase caseloads for academic, career, and transfer advisors.** To mitigate this, colleges may consider solutions that optimize advisor time:

Three major strains on advisor time that could be addressed, were identified:

- *Lack of awareness and visibility of advisors over student needs, and students of advising capabilities*
 - Students may not be aware of advising support or find it easy to access, and both students and advisors cannot always access student progress towards their goals
 - Improved tracking software tools could increase visibility for advising staff and ownership for students; technology tools could help fill scheduling and engagement gaps; streamlined forms and scheduling software could help students engage more proactively with their advising team
 - Different tools are in use across the network of community colleges; without recommending a specific system, it may be helpful for colleges to aim to align on a standard set of software solutions to allow knowledge-sharing and improved procurement capabilities.
- *Articulation agreements with transfer partner four-year schools must be managed*
 - MassTransfer currently offers some mapping of credit transfer pathways between community colleges and public four-year institutions. Massachusetts Guarantee offers similar articulation agreements between community colleges and 21 private four-year institutions. DHE and relevant MassTransfer and Massachusetts Guarantee stakeholders could

consider expanding these standardized transfer articulation agreements between each community college and four-year public (and private) colleges in Massachusetts, beginning with the most popular majors. This will not only streamline the process of individual articulation agreements and the workload of transfer advisors, but also raise the value of a community college program for students seeking to pursue a four-year degree in the Commonwealth. For more detail on transfer pathways, see [Support for four-year colleges and the higher education ecosystem](#).

- *Student complexity is increasing for advisors*; this may be further strained by students who enroll because of a free program, particularly those who are less academically prepared.
 - To address this barrier, colleges should consider how they can better support their advising staff to better manage increasingly complex student needs and their correlative accommodations, e.g., through training or other methods.

Support for four-year colleges and the higher education ecosystem

Free community college will impact institutions across the entire higher education ecosystem in Massachusetts. The program will introduce thousands of net new students to higher education, with many then attending four-year colleges through transfer pathways. Specifically, three primary groups of students can drive new benefits to four-year colleges:

1. **Transfers from net new community college students who would have otherwise chosen no college:** These students would have foregone college, but now, due to financial support, attend community college and transfer to a four-year institution. This includes recent high school graduates, new immigrants to Massachusetts, and other individuals whose circumstances or preferences had previously dissuaded them from attending community college, but now are able to due to a free program.
2. **Net new transfers from the existing community college cohort:** Due to additional financial support from free community college and improved transfer pathways (see [Process changes](#)), these students now feel ready to transfer to a four-year institution. As transferring to a four-year institution is a major goal for many incoming community college students, a free program will strengthen and embolden a pre-established model.
3. **Transfers from net new community college students who otherwise would have left Massachusetts for an out-of-state four-year:** Due to a free community college program, these students choose to go to in-state

community college over an out-of-state four-year institution, then transfer to an in-state four-year institution.

Preliminary modelling demonstrates that in all, state four-year colleges could expect a net increase in students after the introduction of a free community college program once transfers begin.

Given many of these benefits are derived from transfers, **bolstering transfer pathways from community college to four-year institutions is important for the higher education ecosystem.** Benchmarks offer suggestions as to how Massachusetts can further support transfers:

Partnerships between community colleges and four-year institutions are important in solidifying transfer pathways. A benchmark Massachusetts could draw from is the ADVANCE program between Northern Virginia Community College (NVCC) and George Mason University (GMU), a public research university. ADVANCE streamlines transfers using specialized curricula, dual-enrollment, internships, and co-curricular activities.¹²⁶ It is particularly effective due to a strong transfer culture at NVCC, with 58% of its transfers going to GMU, while GMU enrolls twice as many transfer students as other state universities (~3,000 annually).¹²⁷ Furthermore, George Mason has grown enrollment at a time when Virginia’s public universities have been facing declines, achieving a record enrollment of 40,000 in 2023.¹²⁸ To support future partnership efforts and a build a transfer-oriented infrastructure, GMU launched an Office of Community College Partnerships in 2023.¹²⁹

The Massachusetts higher education ecosystem is well-positioned to learn from ADVANCE and support such partnerships of its own: for example, MassBay Community College and Framingham State University (FSU) have partnered to offer housing in FSU dorms to MassBay students, along with creating an RN-to-BSN nursing transfer pathway and early college partnerships with high schools in local school districts.¹³⁰ Additionally, in 2019, Massachusetts state universities and community colleges partnered to pilot a free housing program for students experiencing homelessness.¹³¹

The Commonwealth can build on existing partnerships to establish academic, residential, or career-oriented linkages between community colleges and four-year universities. Expanded SUCCESS funding (see [Wrap-arounds](#)) could be used to improve students’ exposure to four-year universities while attending community college, including funding visits to universities and programming to foster transfer-oriented

¹²⁶ Northern Virginia Community College. (n.d.). [ADVANCE Program](#)

¹²⁷ Champaneri, P. (2020). [Advancing Toward a Four-Year Degree](#). *George Mason University*

¹²⁸ George Mason University. (2023). [Mason enrollment reaches 40,000 students, a record for Virginia Advancing Toward a Four-Year Degree – George Mason University](#)

¹²⁹ George Mason University. (2023). [New Office of Community College Partnerships to support the Mason Virginia Promise](#)

¹³⁰ MassBay Community College. (n.d.). [Framingham State University Partners with MassBay](#)

¹³¹ Massachusetts Department of Higher Education. (n.d.). [Student Basic Needs Security at Massachusetts Public Colleges and Universities](#)

cultures in community colleges. Furthermore, by exposing students to postsecondary pathways starting in K-12, early college partnerships such as those of the Massachusetts Early College Initiative foster meaningful linkages between high schools, community colleges, and four-year institutions which can ultimately enroll more students in higher education who otherwise would not have attended.¹³²

New transfer pathways can build on the success of existing programs such as MassTransfer, Commonwealth Commitment and the Massachusetts Guarantee.

MassTransfer A2B Maps and A2B Linked initiatives already establish transfer pathways for certain majors and guarantee transfer of credit but could be improved by linking more community college programs to bachelor's degrees, facilitating smoother transfers without credit loss or course repetition.¹³³

Additionally, Massachusetts currently offers:

- A transfer tuition waiver for students maintaining a 3.0 GPA
- A 10% tuition rebate under the Commonwealth Commitment for those enrolled full-time at a four-year institution and maintain a 3.0 GPA.¹³³

To bolster transfers, Massachusetts might consider easing the requirements of these programs. Expanding eligibility may encourage more students to transfer and complete their four-year degrees. (For a comprehensive discussion, refer to [Process changes](#)).

Massachusetts also has a robust guaranteed transfer ecosystem, including the Massachusetts Guarantee, which facilitates seamless transfer between the Commonwealth's public community colleges and 21 independent institutions.¹³⁴ Furthermore, several community colleges have entered into joint admissions agreements with four-year institutions, among them Northern Essex Community College with Regis College, Bunker Hill Community College with UMass Lowell, and Berkshire, Greenfield, Holyoke, and Springfield Technical Community Colleges with Western New England University. These collaborations demonstrate that guaranteed transfer and joint admissions are not only limited to public universities and should be further expanded to private institutions to support students' entry into specialized fields of study or create opportunities to pursue graduate education.

Supporting community college students before, during, and after transferring can increase their likelihood of completing a four-year degree.

Research shows students transferring from community colleges often have higher completion rates than those starting at four-year institutions.¹³⁵ The aforementioned ADVANCE program has seen a 92% bachelor's completion rate for students within two years of transfer.¹³⁶

¹³² Massachusetts Department of Higher Education. (n.d.). [Massachusetts Early College Initiative](#)

¹³³ Massachusetts Department of Higher Education. (n.d.). [MassTransfer](#)

¹³⁴ Massachusetts Department of Higher Education. (n.d.). [MA Guarantee Programs](#)

¹³⁵ Therriault, S. and Krivoshey, A. (2014) [College Persistence Indicators Research Review](#). *American Institutes for Research*

¹³⁶ George Mason University. (2023). [New Office of Community College Partnerships to support the Mason Virginia Promise](#)

Similarly, New Jersey, which leads the country in transfer four-year completion rates, codified its statewide transfer agreement into law, guaranteeing community college students' transfer to any public college upon completing an associate degree.¹³⁷ This has resulted in a 76% completion rate for community college transfers, with 94% of students' credits accepted upon transfer.¹³⁸

To further aid students, Massachusetts could offer extended support throughout their six-year academic journey, possibly utilizing the personnel capacities of the SUCCESS program to provide students with longer-term advising support before, during, and after transfer. Massachusetts could also include process adjustments to minimize credit loss and streamline transfer, such as expanding MassTransfer articulation agreements and the Massachusetts Guarantee.

Workforce considerations

A key component of the return on investment for a free community college program is how it can contribute to the Commonwealth's workforce needs and align with its economic development priorities at both a statewide and regional level. Noting *all* community college programs, not just sector-specific programs, are valuable as a foundation for further study and/or work, there are three primary levers through which a free community college program can deliver workforce-related benefits:

1. **Fill labor shortages and skill gaps in priority sectors across the Commonwealth:** State-wide priority industries as well as regional industries can benefit from increased numbers of skilled individuals.
2. **Elevate the skills and experience of the Massachusetts population while closing specific gaps in adult education:** Key populations can be brought back into schooling through a free community college program, including high-school graduates who are otherwise choosing no college, underrepresented populations, new immigrants, and carers looking to return to the workforce.
3. **Attract and retain would-be workers to Massachusetts:** An attractive and accessible community college program could be appealing to individuals willing to move to an area of opportunity, or may sway some individuals from attending a four-year college out-of-state college to a community college (then potentially a four-year college) in-state.

While free community college can impact some of these levers simply through increased numbers of enrollments and completions, realizing the program's full potential from a workforce perspective will require the **integration of workforce-specific**

¹³⁷ Homerroom: The Official Blog of the US Department of Education. (2023). [New Measures of Postsecondary Education Transfer Performance](#)

¹³⁸ New Jersey Office of the Secretary of Higher Education. (2023). [Transfer of Credit Annual Report 2021-2022](#)

strategies in how a program is designed and rolled out. The Legislature may consider using some or many of the following strategies to emphasize workforce outcomes (several of which are integrated throughout this report):

Provide incentives to draw students to in-demand fields:

- Expand or improve access to financial incentives to support students undertaking programs in high-demand industries.
- Include non-credit programs in free community college such as workforce training and English to Speakers of Other Languages (ESOL) programs to help build skills that improve employment outcomes. This would have the added benefit of streamlining the administration and funding of not-for-credit classes, which are currently funded very differently from for-credit classes¹³⁹.

Introduce further connections between businesses and community colleges:

- Request expanded SUCCESS funding (discussed in Part 2: [Wrap-around supports](#)) be used in-part to support expanding workforce connections and paid internships, for example.
- Engage with existing initiatives such as MassHire to support employed adults seeking to return to community college.

Invest in services to support upskilling of key populations:

- Target investment in facilities that support the development of key workforce training environments, e.g., nursing settings (see [Impact to facilities](#))
- Focus expansion of SUCCESS on interventions that bring in key populations to workforce training, e.g., childcare offerings to bring parents into further education.
- Improve access to grant funding for colleges to tap into for developing high-need workforce programs, e.g., Donnelly grants.
- Explore options to leverage federal workforce funding (e.g., Workforce Innovation and Opportunity Act) in order to maximize federal funding sources prior to state financial aid.

Use of these strategies could help strengthen the community college-workforce pipeline and create better outcomes for the Commonwealth.

¹³⁹ For-credit classes are administered by DHE/EOE, whereas not-for-credit classes are administered by the Executive Office of Labor and Workforce Development.

Implementation and first steps

Implementation roadmap

A thoughtful implementation plan can support preparation and build stakeholder alignment. Consultations called out four key actions as important, each of which are explored below in more detail:

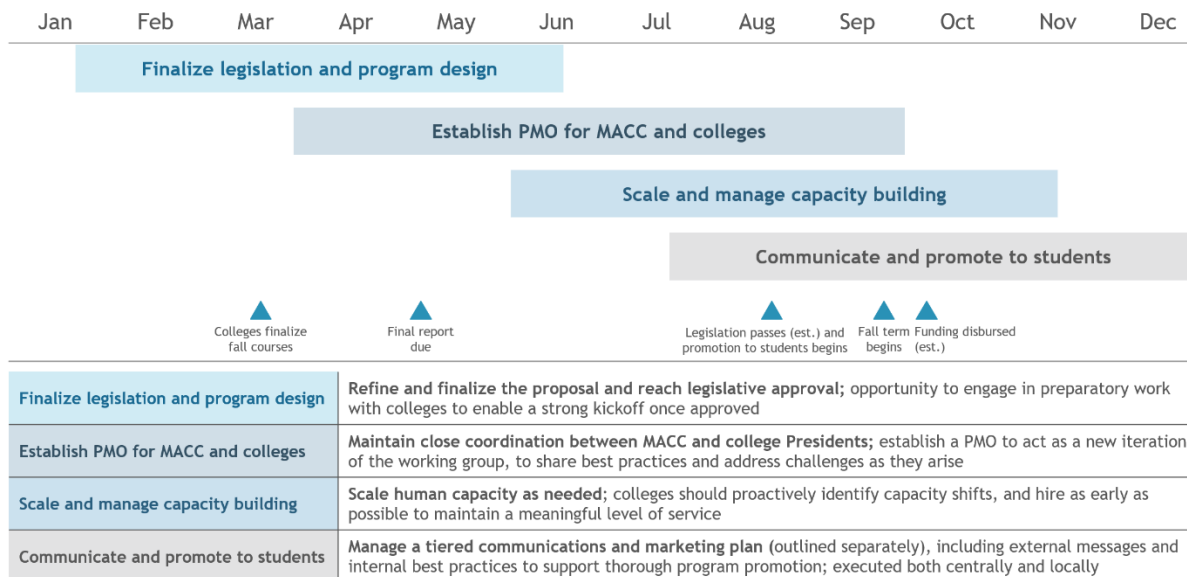
1. Finalize legislation and program design
2. Establish a Program Management Office (PMO)
3. Scale and manage capacity building
4. Communicate and promote to students

1. Finalize legislation and program design

Alignment with the Legislature is important leading up to program approval and budget allocation. In the first half of 2024, MACC should maintain close contact with key legislative and college stakeholders to finalize program design and communicate program changes and progress on legislative passage.

This would be the time best suited for a discussion of streamlined financial aid, as this action will have the greatest impact prior to the launch of a new program (see [Financial aid](#) for more details on proposed streamlining actions). The Legislature may want to consider this as soon as is practical.

Exhibit 6.1: Implementation actions should take place over the course of 2024



2. Establish a Project Management Office

Robust communication and information sharing between MACC, the Legislature, and the colleges is important for successful implementation. A Program Management Office (PMO) is often used by implementation programs to facilitate coordination, and generally acts as a program implementation coordinating body. This group may:

- Meet regularly throughout the late spring, summer, and fall of 2024 to keep up to date on progress of program design, promotion, and implementation
- Support the development of guidelines for financial aid officers, professional staff, and faculty about the program and its impacts on roles
- Share tips on best practices related to process improvement and capacity building
- Support the development of key messaging, fact sheets, and other central communications tools to effectively promote the program once approved by the Legislature (see [Communications](#))

3. Scale and manage capacity building

To manage a projected increase in enrollments, colleges can proactively scale key student-facing areas as the program begins. Colleges may:

- Track enrollments as early as possible, to best plan for and react quickly to impacts on capacity
- Engage HR teams over the summer to proactively hire new staff in especially constrained areas
- Implement process improvements (outlined in [Process Changes](#)) throughout the summer to manage expected enrollment impacts

4. Communicate and promote to students

Finally, a successful implementation plan requires time and resources to communicate and promote the new program. Legislative timing will be a critical informing factor for timing of communications; an accelerated promotion may be required for fall of 2024, supplemented by additional promotion over the fall semester. While a [communications](#) plan is proposed in detail below, key actions may include:

- **Preparation** (requires one-two months, pre-launch): Develop central materials to be shared with colleges (e.g., branding, core messaging, best practice guides) and preparation of initial promotion (e.g., press releases, launch materials)
- **Promotion** (to be implemented between legislative finalization and start of term, ideally two months): Deliver external messaging, both state-wide and region-specific, as outlined in [Communications](#)
- **Retention and follow up** (ongoing, after start of term): Regularly engage students throughout their first year and beyond to promote retention and outcomes of the program

Detailed initiative charters can support all four operational elements, with point people established at both the college and system level.

Communications plan

Implementation should be supported by a first-year communications program focused on the message of free and inclusive community college for all. Consultation suggests that to be most effective, a prospective communications plan should consider three key areas: audience, message, and execution.

Audience

Three audiences are thought to be particularly important when promoting free community college:

- **Continuing learners (ages 17-23):** This group comprises recent high school graduates looking to extend their educational journey. Free community college allows them to continue learning affordably, setting a foundation for a more lucrative career or a four-year degree with little to no debt. This audience represents approximately 464,000 Massachusetts residents.¹⁴⁰
- **Returning learners (ages 23 – 55+):** This group has been out of high school for more than five years, often due to work commitments or family responsibilities. Free community college offers renewed access to education, offering a chance to complete degrees that can significantly boost or shift their career paths. This audience represents approximately 1.8 million Massachusetts residents.¹⁴⁰
- **Current students:** This group is attending community college in Massachusetts and need clear information about the new program including guidance on how to leverage program resources. This audience represents approximately 67,000 current students.¹⁴¹

Messaging

Stakeholder insights and benchmarking point to a three-stage messaging approach for prospective students, aimed at enhancing program awareness and engagement:

- **Early stage:** Targeted at those unaware of the free community college program, this high-level messaging uses empowering language to introduce the opportunity, highlighting cost-free access. Success means sparking awareness and the desire for more information.

¹⁴⁰ U.S. Census Bureau. "[EDUCATIONAL ATTAINMENT](#)." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1501, 2022. Accessed on November 28, 2023.

¹⁴¹ Massachusetts Department of Higher Education, (2022). [Community Colleges – Annual Unduplicated Headcount](#).

- **Middle stage:** Tailored for those aware of the program but not yet enrolled, this messaging provides clear program details (including specific information on financial coverage and requirements to maintain funding) and enrollment guidance. Success here is measured by enrollment in the community college.
- **Late stage:** Designed for current program participants, this regular, cohort-based messaging provides resources and fosters community among students. Success involves maintaining student persistence and engagement within their cohort.

Simplicity is critical at every stage - clear and understandable language encourages students and enables action. This is a benefit to staged messaging; by beginning communications through raising awareness, colleges can build complexity of detail over time in a way that remains encouraging, understandable, and clear without getting too deep into program specifics too soon.

Stakeholders with experience in promotion of free college programs also advise that messaging focus on benefits and value of free community college, rather than presenting it as a financial aid program. This approach will help students keep their goals for outcome top-of-mind from the beginning of engagement with the program.

In stakeholder conversations, especially those with financial aid professionals, there arose a tension between calling this program “free community college” or “funded community college,” given the possibility for students to lose funding if they stop meeting requirements. Stakeholders emphasized the lessons from Massachusetts’ John & Abigail Adams Scholarship. The widespread program was promoted as “free college” for Massachusetts residents who scored in the top quartile on MCAS standardized tests. Hearing this message, many students sought to make use of the program, but were disappointed when the funding only covered tuition – not the far greater quantity of fees and other expenses. Stakeholders cite this program as a warning not to over-promise and under-deliver on free community college, and to maintain clear and consistent messaging on what is included in the proposed program, and what is not.¹⁴²

Many benchmark states have overcome this challenge. A tiered messaging approach is designed to clarify to all prospective students the specifics of maintaining funding, while also maintaining the simplicity of the word “free.”

Learnings from other states suggest communications should be executed via centralized and localized actions, spread across a 3-4-month timeline. Broader elements should be centralized, though local support is necessary for personalized engagement.

- **Centralized communications actions** are best managed via the PMO proposed above (see [Implementation](#)), in coordination with a marketing agency that

¹⁴² Stakeholder interview

specializes in communications for community colleges. Centralized actions could include visual branding treatment, standard messaging at each stage, standard collateral for local use, best practice guides, and State-wide promotion campaigns (e.g., press release, news articles, large media buys, large digital ads)

- **Localized communications actions** are managed by individual community colleges, and should leverage central materials to promote through regionally-important channels to their target audiences. Localized actions could include communications to existing students, retention and engagement communications, regional or school-specific collateral and events, and regional promotion campaigns (e.g., promotion in local papers, local billboards, specific social/print ads)

Messages are strongest when communicated consistently across centralized and localized teams. In Rhode Island, one core strength of their Promise Program launch was alignment between the local execution teams and the central managing body; the centralized team provided clear expectations on standard materials and regularly checked in with local teams to make sure execution was meeting expectations.¹⁴³ Conversely, Oregon experienced challenges with their central message, as standard communications tools were not provided; as a result, students were unable to get consistent information on program details and application requirements, leading to dissatisfaction with the program and inability to activate grant funding.¹⁴⁴

To support a successful balance between centralized and localized action, benchmarks suggest local stakeholders should be properly trained on and supported by standard messaging language, communications best practices, and expectations for rollout developed by the central working group.

Conclusion

Community colleges represent a meaningful place of learning for thousands of students in Massachusetts – and could meet significant economic and social goals by serving many thousands more. Within the higher education ecosystem in the Commonwealth, these institutions allow residents to pursue degree and certification programs, train for skilled workforce positions, develop problem-solving abilities and other educational competencies, and enrich the quality of life and opportunities available to the communities they serve. However, the financial realities of attending school prevent many potential learners from pursuing higher education. To realize the promise of

¹⁴³ Stakeholder interview

¹⁴⁴ Hodara, M., Petrokubi, J., Pierson, A., Vazquez, M., & Young Yoon, S. [FULFILLING THE PROMISE? Early Findings on Oregon's New College Grant Program](#). *Education Northwest*.

opportunity and economic mobility offered by community college, prospective students must have greater support to enable their pursuit of higher education.

A new program that offers universal access to free community college in Massachusetts could expand opportunities not only for individual learners, but for the Commonwealth as a whole. The program proposed in this report would reduce financial burdens on community college students, eliminating the cost of tuition, fees, and educational supplies for all, while providing additional financial support for those with the least existing financial resources. The proposed program also recommends expansion of the highly impactful SUCCESS wrap-around program to better support students through their learning experience. The resultant increase in access to advising, mentoring, and other support services will improve student completion rates, increasing return on investment. Increasing access and student supports will both reduce historical inequities of access to higher education and enable students to succeed in community college programs at higher rates.

Universal free community college ensures any individual seeking higher education can pursue their ambitions regardless of their financial means. Intentional investment in this space will yield dividends for years to come; for individuals, newly empowered to pursue greater opportunities; for businesses, with a more robust pipeline of talent to draw from; for traditionally underserved communities, enabled with greater access to economic mobility; and for the Commonwealth at large, better equipped to support its constituents and develop social and economic growth into the future.

Appendix

Appendix 1: Advisory Committee

Alongside Advisory Committee meetings, several members were involved in 1:1 conversation and as part of focus groups throughout this work. Membership on the Advisory Committee in no way represents that members were in favor of all or even some elements of what was presented here. Several stakeholders were present in an observer capacity. These members did not participate in conversation or surveys during committee meetings but were consulted throughout the draft process.

Name	Role	College/Organization
Claudine Barnes	President	Massachusetts Community College Council (MCCC) Faculty & Professional Staff Union
Noah Berger	Director, Center for Education Policy & Practice	Massachusetts Teachers Association (MTA)
JD Chesloff	Executive Director	Massachusetts Business Roundtable
Monique Ching	Senior Policy Advisor	<i>Designee</i> Office of Senate President Karen Spilka Massachusetts State Senate
Jo Comerford	State Senator	Co-Chair, Joint Committee on Higher Education
Michael Dannenberg	Deputy Commissioner for Policy	<i>Designee</i> Massachusetts Department of Higher Education
Alex Demou	Legislative Director	Joint Committee on Higher Education
Pam Eddinger	President	Bunker Hill Community College
Jan Forsstrom	Vice President of Administration & Chief Financial Officer	North Shore Community College
Jared Freedman	Chief of Staff	Office of Senator Jo Comerford
Karen Grant	Director of Financial Aid	Quinsigamond Community College
Ellen Kennedy	President	Berkshire Community College
Steve Kenyon	Vice President for Administration & Finance	Bristol Community College

Bob LePage	Assistant Secretary for Career Education	<i>Designee</i> Executive Office of Education
Michele Lisio	Education Policy Analyst	<i>Designee</i> Office of Speaker Ronald Mariano, Massachusetts House of Representatives
Nate Mackinnon	Executive Director	Massachusetts Association of Community Colleges
Sharale Mathis	Vice President of Academic & Student Affairs	Holyoke Community College
Rebecca Newell	Dean of Students & Title IX Coordinator	Middlesex Community College
Samantha Plourd	Dean of Enrollment, Retention & Completion	Springfield Technical Community College
David Podell	President	MassBay Community College
Dave Rogers	State Representative	Co-Chair, Joint Committee on Higher Education
Kiara Rosario	Student Trustee	Roxbury Community College
Brian Rosman	Legislative Director	Office of Senator Jo Comerford
Patrick Stone	Director of Strategic Communications and Marketing	Cape Cod Community College
Michelle Schutt	President	Greenfield Community College
Jim Vander Hooven	President & Chair	Mount Wachusett Community College & Community College Council of Presidents
Sarah Yunits	Deputy Executive Director	Massachusetts Association of Community Colleges

Appendix 2: Stakeholders engaged

In addition to the Advisory Committee (Appendix 1), several other stakeholders were engaged – several multiple times throughout this work:













Community College Stakeholders		
Name	Role	College/Organization
Mark Broadbent	Coordinator of Transfer Affairs & Coordination,	Holyoke Community College
Lane Glenn	President	Northern Essex Community College
Laura Lavallee	Registrar	MassBay Community College
Jason Marsala	Dean of Enrollment Services	North Shore Community College
William Mitchell	Vice President for Administration/Chief Financial Officer	Massasoit Community College
Janaé Perkins	Director of Advising & Student Success	Roxbury Community College
Heather Ruland	Director of Financial Services	Mount Wachusett Community College
Lisa Slavin	Associate Vice President for Enrollment Management	MassBay Community College
Christina Wynn	Interim Vice President for Administration & Finance	Berkshire Community College
Student Services Focus Group		
Linda Desjardins	Director of Financial Aid	Greenfield Community College
Laura Doane	Director, Advantage/TRIO Program	Cape Cod Community College
Celia Norcross	Dean of Students	Berkshire Community College
Kristie Proctor	Director of Student Accessibility Services	Quinsigamond Community College
Renee Tastad	Assistant Vice President, Student Affairs & Dean of Enrollment Management	Holyoke Community College
Karrie Trautman	Director of Student Financial Services	Berkshire Community College

CFO Focus Group		
Chris Clark	Vice President of Finance and Operations	Cape Cod Community College
Andrea Nathanson	Vice President of Administration/CFO	Springfield Technical Community College
Karen Phillips	Vice President of Administration and Finance	Greenfield Community College
John Pitcher	Vice President of Administration and Finance	Bunker Hill Community College
Sandra Quaye	Vice President of Administration and Finance	Mount Wachusett Community College
Narayan Sampath	Vice President of Administration and Finance	Holyoke Community College
Additional Stakeholders		
Department of Higher Education		
Matthew Cole	Deputy Commissioner, Operations & Finance & Administration,	Massachusetts Department of Higher Education
Mario Delci	Associate Commissioner of Research & Planning	Massachusetts Department of Higher Education
Clantha McCurdy	Senior Deputy Commissioner, Access & Student Financial Assistance	Massachusetts Department of Higher Education
Sasha Obratsova	Database Administrator	Massachusetts Department of Higher Education
Noe Ortega	Commissioner	Massachusetts Department of Higher Education
José Luis Santos	Senior Deputy Commissioner & Advisor	Massachusetts Department of Higher Education
Business & Industry		
Jay Ash	President and CEO	Massachusetts Competitive Partnership
Doug Howgate	President	Massachusetts Taxpayers Foundation

Tonja Mettlach	Executive Vice President	Massachusetts Business Roundtable
Benchmark Experts		
Russ Deaton	Executive Vice Chancellor for Policy and Strategy	Tennessee Board of Regents
Allan Dobrin	Former Vice Chancellor	The City University of New York
Other Subject Matter Experts		
Bahar Akman Imboden	Managing Director	Hildreth Institute
Lutful Khan	SUCCESS Senior Project Director	Massachusetts Association of Community Colleges

Appendix 3: Benchmarking evidence

Other state free community college programs

													
	ME	NH	VT	NY	CT	RI	NJ	DE	MD	DC	WV	VA	
Eligibility											WV Invests	WV Promise	
All ages			First-time*		First-time*	<19				First time*	First time*	HS only	
All years grad.	2020-25					2024*				2009-23			
All GPAs						2.5	1.8	2.5*	2.3/2.5	2.5		3.0	
No residency limit			VT	>1yr NY	CT HS grad	RI	NJ	DE HS grad	MD HS grad	>1yr DC	>1yr WV	>1yr WV	VA
All incomes		Pell reqs	<\$75k	<\$125k			<\$65k*		\$100/\$150k	FPL			FPL
All programs				Undergrad	Title IV*					AA/BA	In-demand		In-demand
Coverage													
Tuition									Up to \$5k last-dollar	Up to \$4k for 4-6 yrs		Up to \$5,200	
+ Fees													
Ed. expenses	If already covered				\$250 if alr. covered								Books
Other													If full time
Requirements													
Stay in-state post				Yes		Yes					Yes - 2yrs		
Maintain GPA		SAP		2.0	SAP	2.5	SAP	2.5	2.5	SAP	2.0	2.75-3	2.0
Auto-eligible	FAFSA	FAFSA			FAFSA		FAFSA						FAFSA
Counseling/mentorship													
Community service													
Credit minimum		6 credits		12 credits	6 credits	12 credits	6 credits	12 credits	6 credits	12 credits	6 credits	15 credits	6 credits
Full-time				Required		Required		1 st sem		Required		Required	
Timing	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$



	KY	TN	IN	MI	MN	IA	MO	AR	LA	OK	KS				
Eligibility		Reconnect	Promise		Future	North Star	Fast Track	A+	MJ Foster	LA TOPS					
All ages	First-time*	>23	HS only	First-time*	>21*		First-time*	HS or 20+	25+	HS only	21+	HS only	13-16*		
All years grad.					2021-later						2022	Grds 8-11			
All GPAs								2.0			Yes - varies	2.5			
No residency limit	KY	>1yr TN	TN HS grad	IN	>1yr MI	MN	MN	IA	>2yrs MO	MO HS grad	>3yrs AR	LA	LA HS grad	OK HS grad	KS HS grad
All incomes					<\$50-100k*	<\$80k	EFC<\$20k	<\$40-80k*			FPL		<\$100k	<\$100-150k	
All programs	In-demand			In-demand		In-demand		In-demand	In-demand		In-demand	In-demand		In-demand	
Coverage															
Tuition															
+ Fees	Up to \$400			In-district							\$3,200/yr; max \$6,400	Varies			
Ed. expenses															
Other				\$550/yr*		TBD		\$500 if alr. covered*						Except living	
Requirements															
Stay in-state post									Yes - 3 yrs	Yes - 1yr				Yes -2yrs	
Maintain GPA	2.0	2.0	2.0	SAP	2.0		SAP	SAP	2.5	2.5	SAP	2.5	2.0	2.0	SAP
Auto-eligible				FAFSA		FAFSA		FAFSA							
Counseling/mentorship		Success plan													
Community service															
Credit minimum	Dual-credit	6 credits	12 credits	6-12 cr.	1 credit*		>1 credit	6 credits	Part-time	12 credits	Part-time		12 credits		6 credits
Full-time			Required	Dependent						Required			Required		
Timing	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	Last \$	First \$	First \$	Last \$

New as of Fall 2024

Only for eligible high schools



	NM		CO		WY	WA		OR	NV	CA	HI	NC		SC	
Eligibility	Opportunity	Lottery	CareerAdv	COSI		WCG	WA CB	OOG	Promise			NC Promise	Longleaf		
All ages	18+				First-time*		MS only	First-time*	HS only	<20		First-time*		First-time*	
All years grad.	>16mos	<16mos			MS/HS					2020-2024				2022	
All GPAs					Varies		2.0		2.0		2.0				
No residency limit	NM	NM HS grad	CO	CO	WY	WA	WA HS grad	>1yr OR	OR HS grad	NV HS grad	CA	HI	NC	NC HS grad	
All incomes						100% MFI	65% MFI	\$0-8k EFC			Varies			EFC<\$15k	
All programs			In-demand	In-demand							48 CCs		4 CCs	In-demand	
Coverage															
Tuition					\$840-\$1680/yr	Need-based	Varies by school	Need-based					\$500/term for in-state	\$700-\$2.8k/yr	Up to \$5k/year
+ Fees	\$50/credit			Varies by need						\$46/unit					
Ed. expenses						\$500 if fully covered			\$1k if covered		Separate app.				
Other															
Requirements															
Stay in-state post															
Maintain GPA	2.5	2.5			2.25-2.5		SAP	SAP	SAP		2.0	SAP		2.0	
Auto-eligible								FAFSA	SAP			FAFSA		FAFSA	
Counseling/mentorship															
Community service															
Credit minimum	6 credits	12 credits	6 credits			3 credits		6 credits	6 credits	12 credits		6 credits	Prorated	6 credits	6 credits
Full-time		Required						Informs \$		Required				Informs \$	
Timing	Middle \$	First \$	Last \$	Need-based	First \$; on merit	First \$; need-based	Middle \$; need-based	Middle \$; need-based	Middle \$	Last \$	Last \$	Last \$	Fixed rate	First \$	Last \$

Workforce-oriented

FT gets 100% coverage

Tuition not charged to NV residents

Acts as fee waiver

Evidence regarding impact of design choices

Enrollment impacts

Program	Key design difference	Impact	Notes
NM Opportunity	Middle-dollar; no age/income restrictions; auto-eligibility	Increased enrollment by 4% statewide; 5.5% in community colleges after its first year	Auto-eligibility/middle-dollar removes barriers associated with FAFSA/application
RI Promise	Last-dollar; age-restricted; full-time required	Enrollment at CCRI increased by 68% compared to pre-pandemic	Contributed to recovery from pandemic effects on enrollment
Oregon Promise	Last-dollar; HS grads only; 2.0 min. GPA	CC enrollment increased to 29% in first year, but has since declined to 19% of total enrollment	To address barriers, min. GPA was lowered to 2.0 in 2022, and \$50 program co-pay removed
ME Free College Program	Last-dollar; auto-eligible; no age/income or pre-residency restriction	Enrollment in public 2yr colleges increased by 14% in the program's first year	Less stringent requirements and auto-eligibility address barriers to access for students
TN Reconnect	>23 age requirement; 6-credit min. enrollment; optional mentorship	Reconnect students working with a mentor were 7% more likely to enroll in college; 48% of students working with a mentor took up Reconnect	Access to mentorship positively impacts students' experience with enrollment and uptake of free-tuition programs
TN Promise	Full-time enrollment required; limited to HS grads; mentorship/ community service requirements	~3k more students enrolled 5 years since program inception	Mentors facilitate easier access and navigation of program requirements
Michigan Reconnect	Last-dollar; >21 age requirement; maintain 2.0 GPA; 1-credit min. enrollment (as of 2023), 12 credit requirement	MI community colleges saw a 16% boost in enrollment in Reconnect first year (2021); following year declined by 5%	Eligibility requirements impact scholarship retention year to year; in 2023, MI expanded eligible age range and lowered credit min.
NJ Community College Opportunity Grant	1.8 GPA and income restriction; 6 credit min.	Program uptake has increased by 140%, and first-time, part-time CC enrollment increased by 31% since 2021 (overall CC enrollment increased by 0.5%)	Looser credit minimum requirements allow more flexibility for part-time students, improve program uptake
VT 802 Opportunity	Last-dollar; need-based, for incomes <\$75K; no academic requirements or age restriction	Enrollment at CCV increased by 10% from 2020-2022; in 2022, 50% of CCV students utilized 802 Opportunity funds; Pell-eligible enrollment increased by 17%	Last-dollar model combined with loose academic requirements results in enrollment increases across socioeconomic groups

Other estimates			
FTC estimates	First dollar	Enrollment increase of 26%; 83% of increase at CCs attributed to students who would not have attended otherwise	First-dollar programs have the potential to improve access and affordability of higher ed, largely for community college students
FTC estimates	Last-dollar	Enrollment increase of 10%, attributed to new enrollees; 88% of increase at CCs attributed to students who would not have attended otherwise	Last-dollar programs result in less enrollment growth overall; more growth for CCs
FTC estimates	Income-restricted/need-based	Enrollment increase of 12% among low-income students	A need-based approach disadvantages middle/upper-income students in terms of affordability

Completion impacts

Program	Key design difference	Impact	Learnings
NM Lottery	First-dollar; automatic eligibility; only for recent HS grads	Associate degree completions increased by 20% since 2011; graduation rates were higher the more semesters a student received funding	Access to aid has the potential to improve completions; auto-eligibility and first-dollar model improves access
VA G3 Program	Additional student support funding; allows stackable pathways	~1700 students earned ~2300 credentials (incl. AAS degrees & certificates) in the program's first year	Expanding types of credentials funded impacts attainment and gives students alternative pathways to a degree or the workforce
Oregon Promise	Last-dollar; min 2.0 GPA	1% decline in number of HS grads earning a CC credential in 5 years	Matching eligibility requirements to characteristics of college-goers has little impact on students' completion
Oregon Opportunity Grant	Middle-dollar	Completions were higher for low-income students receiving OOG than students only receiving Pell, across all races	Higher access to aid can inform completion impacts for certain groups of students more than others
Oklahoma's Promise	First-dollar; income-restricted; mandatory HS curriculum	Promise students had higher 5,6,& 7-yr completion rates than their non-Promise counterparts by 4-7%	Timing of support, early commitment have impacts on completion in the long term
RI Promise	Last-dollar; age-restricted; full-time req.	Most recent 2-year completion rate (16%) is 4x the historic rate at CCRI	Promise contributes positively to completions when FT enrollment is required

Other estimates			
FTC estimates	First dollar	20% increase in degree completions	First-dollar programs are most valuable in encouraging completions for middle-income students
FTC estimates	Last-dollar	10% increase in degree completions	Provides few benefits to lower-income students due to availability of external federal aid to rely on; limits substitution of 4yr for 2yr institutions
FTC estimates	Income-restricted/need-based	4% increase in degree completions	Income restriction reduces program access for middle/high-income students

Appendix 4: Program impact and financial analysis

Stipend sensitivity

Cost sensitivity of stipend amounts was considered as part of this work. The table below shows the impact on cost of modulating the stipend from \$1,000 to \$5,000. There is some evidence to support a higher stipend having a greater impact on enrollments and completions than a lower stipend, however impacts on enrollments and completions per \$1,000 stipend change were not modelled given benchmark limitations (therefore, all costs below estimate uplift as per the 'preferred', \$2,000 stipend).

Stipend Amount	Total Cost	% to Pell-eligible	\$ to Pell-eligible
\$1K	\$145M	37%	\$55M
\$2K <i>Preferred model</i>	\$170M	45%	\$75M
\$3K	\$190M	53%	\$100M
\$4K	\$215M	58%	\$125M
\$5K	\$250M	60%	\$150M

Baseline model

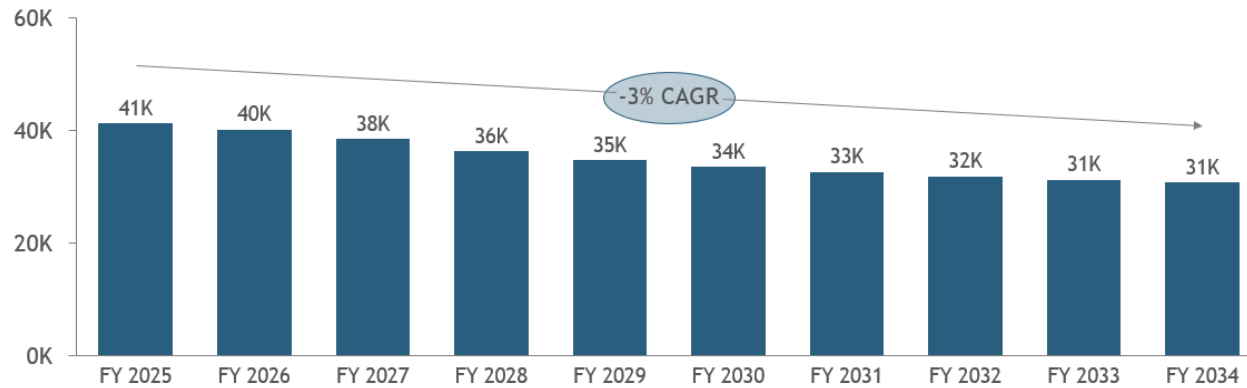
Throughout this work, incremental increases in enrollment and completion are compared to a projected baseline. This baseline includes the projected impact of MassReconnect and the free nursing program, and estimates the state of community colleges over the next 10 years if a free community college program is not introduced in FY 2025. The model uses 5 main inputs to create a baseline forecast for enrollments and completions:

- Preliminary data from Fall 2023 enrollment to estimate the impact of MassReconnect (~7% enrollment uplift Fall 2023 vs. Fall 2022)
- Historical data from Massachusetts Department of Elementary and Secondary Education on the percentage of high school students enrolling in community colleges (-4% CAGR post COVID-19)

- Western Interstate Commission for Higher Education (WICHE) estimates for Massachusetts high school graduate population (-1% 10-year projected CAGR)
- UMass Donahue Institute Massachusetts population projections (-1% 10-year projected CAGR)

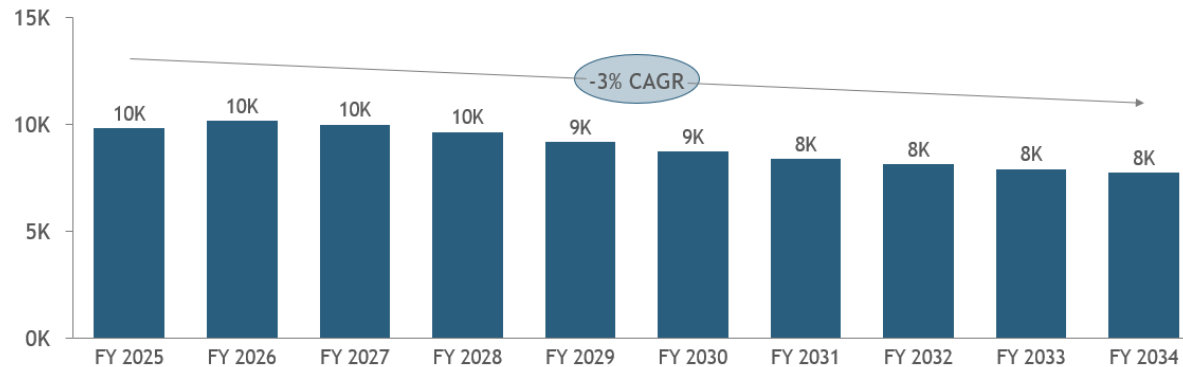
Baseline enrollment projections

Annual FTE equivalent, in thousands



Baseline completion projections

Annual completions, in thousands



Assumptions driving baseline and scenario models

Drivers	Scenario				Notes / Sources
	Baseline (includes MassR & nursing impact)	"MassReconnect for all"	"Extra stipend for low-income"	"Living expenses for low-income"	
New Enrollment	<p>Baseline scenario has 7% increase in 2023 total enrollment - this is an:</p> <p>Initial 40% increase in new returning learners (not straight from high-school)</p> <p>Reduces to +10% uplift in returning learners by 2027</p>	<p>~12% of HS grads enroll in community colleges (+2pp from baseline)</p> <p>+5% increase in annual new returning learners over baseline</p> <p>+1% returning learner steady state by 2027</p>	<p>14% of HS grads enroll +4pp from baseline</p> <p>+10% increase in annual new returning learners over baseline</p> <p>+3.5% returning learner steady state by 2027</p>	<p>17% of Pell-eligible HS grads enroll (+7pp)</p> <p>+15% increase in Pell-eligible new returning learners over baseline</p> <p>+5% Pell-eligible returning learner steady state by 2027</p> <p><i>No incremental impact for non-Pell-eligible over #2</i></p>	<p>Returning learner boosts incremental to MassReconnect are from 18 - 24 age group and marketing</p> <p>Current high school grad enrollment is 10%, was 17% in 2015</p> <p>Boosts are sourced from case studies and Federal Trade Commission</p>
Retention	+3% retention for returning learners	+3% retention expanded to under 24 population	+5% retention for returning learners and high school grads	<p>+7% retention for low-income populations</p> <p><i>No incremental impact for high-income over #2</i></p>	Retention boosts are sourced from case studies and benchmarks from in similar states
Credit uplift	Assumes a credit uplift equivalent to if 20% of students receiving funding take an additional class				Sourced from case studies and MassReconnect data
FAFSA Completion	Assumes 92% of students enrolled in community college will file a FAFSA Currently, ~80% of students file FAFSA				Sourced from DHE data and stakeholder observations of MassReconnect impact
Avg student costs	Tuition and fees - \$6.9K, Books and supplies - \$1.5K, Room and board - \$9.4K, Other living costs - \$3.6K				Sourced from DHE and College Navigator
Existing student aid by EFC group	EFC = \$0 Federal and state aid - \$7.2K	EFC = \$0 - \$6.2K Federal and state aid - \$6.1K	EFC = \$6.2k - \$15k Federal and state aid - \$2.4K	EFC = \$15k+ Federal and state aid - \$300	Sourced from 2022 DHE student level data and Federal student aid publications on the impact of FSA Simplification Act
Population assumptions	<ol style="list-style-type: none"> -1% 10-year projected CAGR for Massachusetts population -1% 10-year projected CAGR for Massachusetts graduating high school seniors 				<ol style="list-style-type: none"> UMass Donahue Institute Western Interstate Commission for Higher Education

Scenario model overviews

Extra stipend for low-income (preferred model)

Design elements

- Tuition and fees, and books and supplies for all; max \$2k living cost stipend for Pell-eligible students
- MA resident, all ages, all incomes, maintain 2.0 GPA, complete FAFSA
- Assumes 6 credit minimum

Direct benefits (yearly avg)¹

Enrollments	Completions
+7K	+3K

Indirect benefits (yearly avg)¹

Wage uplift	Tax ROI
\$280M	\$40M

Costs (yearly avg)²

Educational costs		Living costs		Total cost
Tuition & fees	Books & supplies	Stipend		Exclusive / Inclusive of MassRecon & nursing \$
\$80M	\$50M	\$40M		\$145M / \$170M

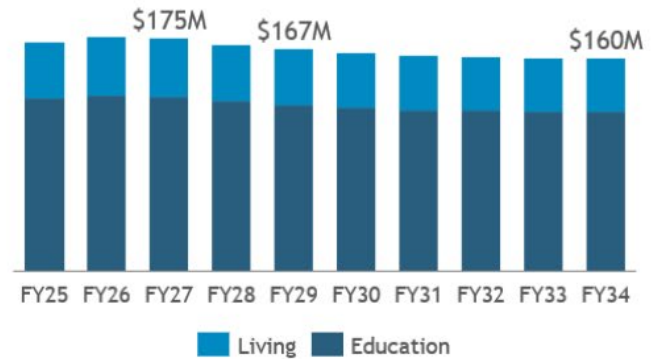
Assumptions driving differences between models:

- 4pp increase in high school students enrolling in community college (10% → 14%)
- Initial 10% increase in returning learners, +3.5% steady state for returning learners
- Average credit uplift equivalent to ~20% of students taking one additional class

1. Incremental to impact of MassReconnect / free nursing program; EFC = expected family contribution; the lower the EFC the less your family is expected to provide; 2. Inclusive of existing MassReconnect and Nursing program funding, inflation not included

Source: DHE, interviews & case studies, MA Dept of Elementary & Secondary Education, Federal Trade Commission, U.S. Bureau of Labor Statistics, UMass Donahue Institute

Cost over time (\$M)²



Cost shown here is *inclusive* of current funds allocated for MassReconnect (~\$20M) & free nursing tuition/fees (~\$6M)

MassReconnect for all

Design elements

- 'Last dollar' to tuition, fees, \$1.2K for books & supplies (agnostic of income)
- MA resident, all ages, all incomes, maintain 2.0 GPA, complete FAFSA
- Assumes 6 credit minimum

Direct benefits (yearly avg)¹

Direct benefits (yearly avg) ¹		Indirect benefits (yearly avg) ¹	
Enrollments	Completions	Wage uplift	Tax ROI
+5K	+2K	\$170M	\$25M

Costs (yrly avg)

Educational costs ²		Living costs ²		Total cost
Tuition & fees	Books & supplies	Stipend		Exclusive / Inclusive of MassRecon & nursing \$
\$70M	\$45M	\$0M		\$90M / \$115M

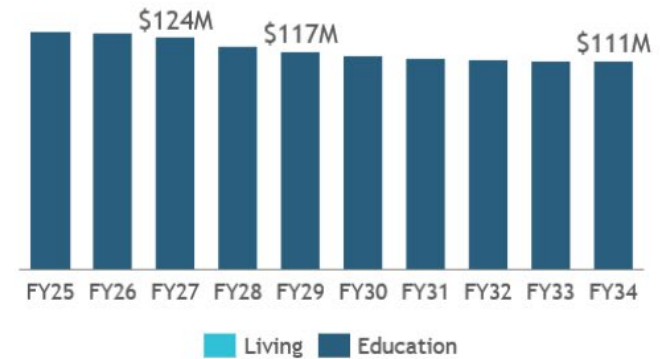
Assumptions driving differences between models:

- 2pp increase in high school students enrolling in community college (10% → 12%)
- Initial 5% increase in returning learners driven by 18-24 age group, 1% steady state increase in returning learners from universal free community college marketing
- Average credit uplift equivalent to ~20% of students taking one additional class

1. Incremental to impact of MassReconnect / free nursing program; 2. Inclusive of existing MassReconnect and Nursing program funding, EFC = expected family contribution; the lower the EFC the less your family is expected to provide; 3. Inclusive of existing MassReconnect and Nursing program funding, inflation not included

Source: DHE, interviews & case studies, MA Dept of Elementary & Secondary Education, Federal Trade Commission, U.S. Bureau of Labor Statistics, UMass Donahue Institute

Cost over time (\$M)³



Cost shown here is *inclusive* of current funds allocated for MassReconnect (~\$20M) & free nursing tuition/fees (~\$6M)

Living expenses for low-income

Design elements

- Tuition and fees, and books and supplies for all, middle dollar stipend to cover full cost of attendance² (\$21K) for full Pell-eligible students, and middle dollar max \$2K stipend for partially Pell-eligible students
- MA resident, all ages, all incomes, maintain 2.0 GPA, complete FAFSA
- Assumes 6 credit minimum

Direct benefits (yearly avg)¹

Enrollments

+9K

Completions

+5K

Indirect benefits (yearly avg)¹

Wage uplift

\$400M

Tax ROI

\$55M

Costs (yrly avg)

Educational costs

Tuition & fees

\$75M

Books & supplies

\$50M

Living costs

Stipend

\$240M

Total cost

Exclusive / Inclusive of
MassRecon & nursing \$

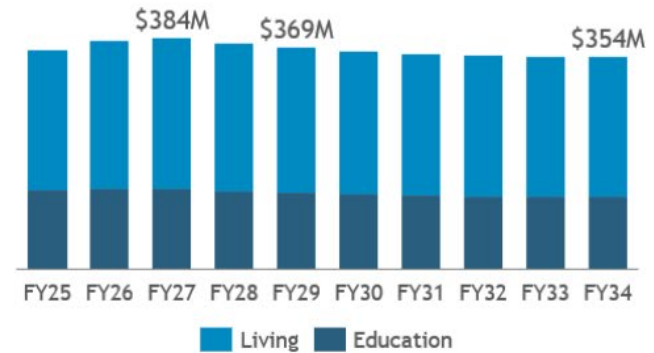
\$340M / \$365M

Assumptions driving differences between models:

- 7pp increase in Pell-eligible high school students enrolling in community college
- Initial 15% increase in Pell-eligible returning learners, 5% steady state increase in Pell-eligible returning learners
- Average credit uplift equivalent to ~20% of students taking one additional class

1. Incremental to impact of MassReconnect / free nursing program; 2. Cost of attendance is terminology used by the colleges - includes room and board; 3. Inclusive of existing MassReconnect and Nursing program funding, does not include inflation
Source: DHE, interviews & case studies, MA Dept of Elementary & Secondary Education, Federal Trade Commission, U.S. Bureau of Labor Statistics, UMass Donahue Institute

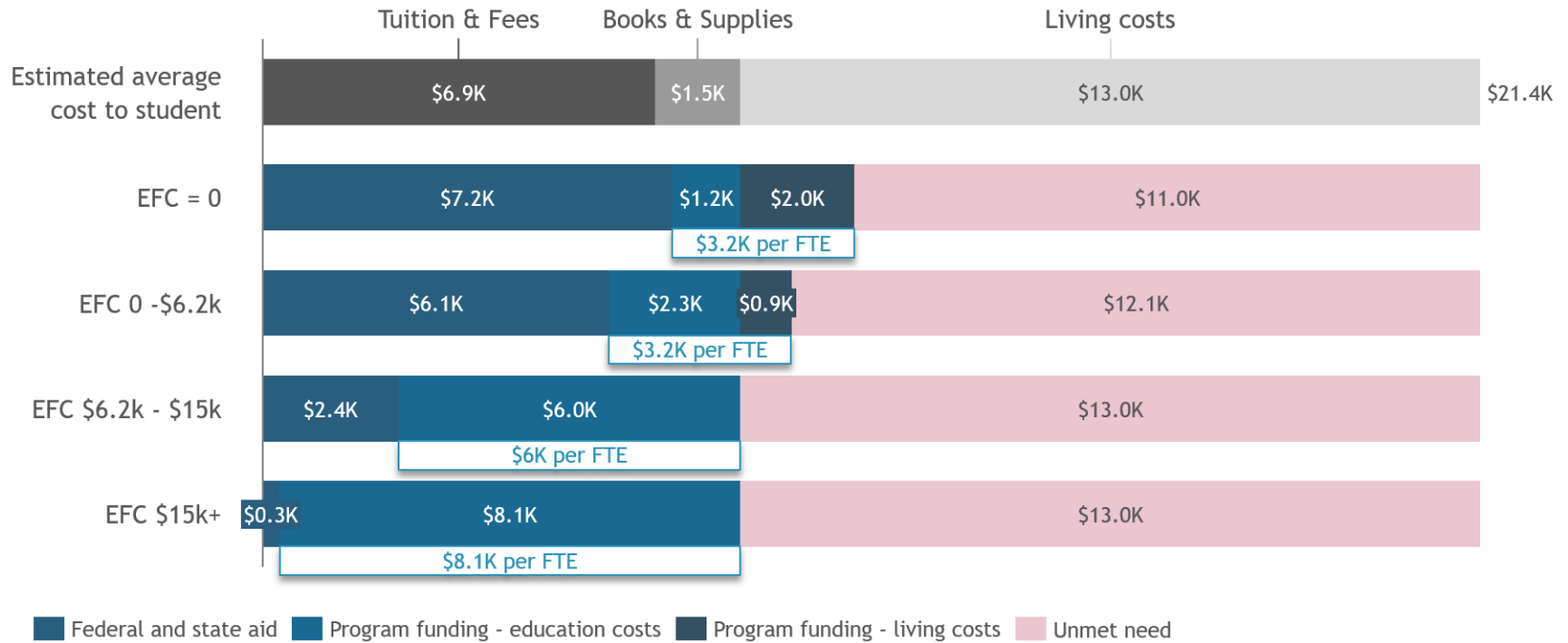
Cost over time (\$M)²



Cost shown here is *inclusive* of current funds allocated for MassReconnect (~\$20M) & free nursing tuition/fees (~\$6M)

Scenario funding structures

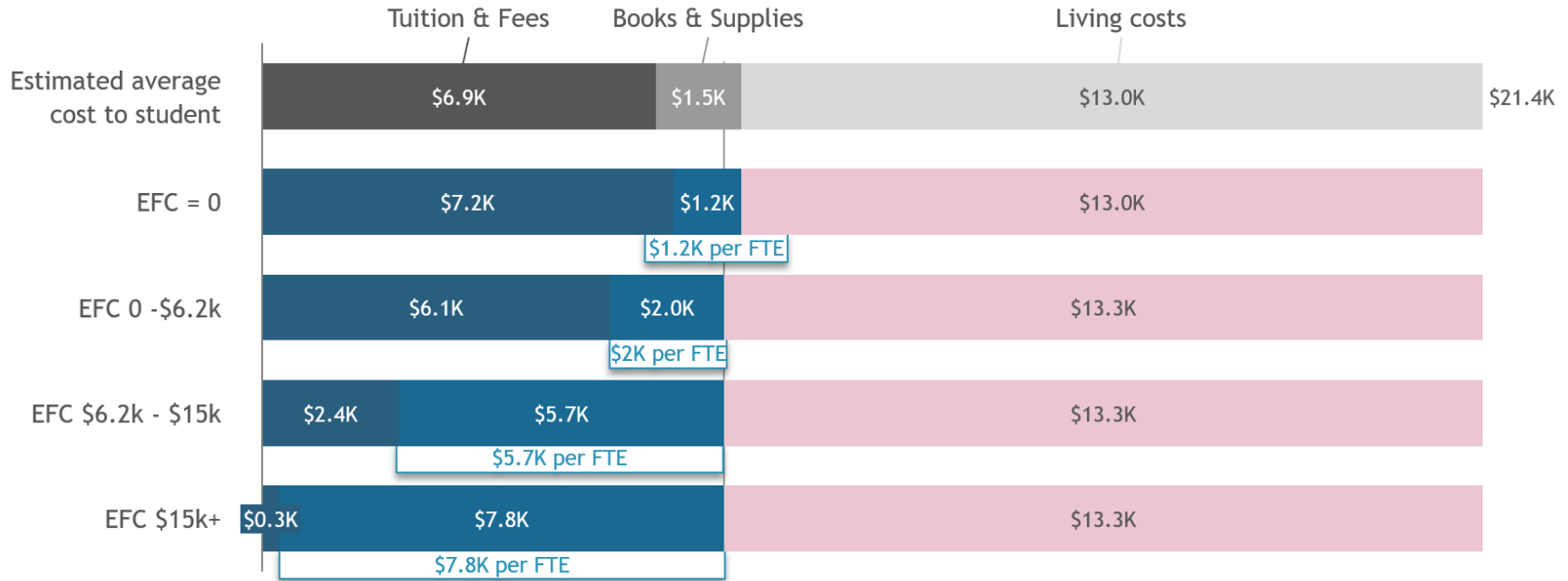
Extra stipend for low-income (preferred model)



Does not consider student earnings from employment

Note: Costs are based on FY 2023 values; program model does not account for institutional aid or 3rd party aid in last dollar calculations, as it will be subsumed by the program
 Source: DHE, College Navigator, U.S Department of Education - Federal Student Aid

MassReconnect for all

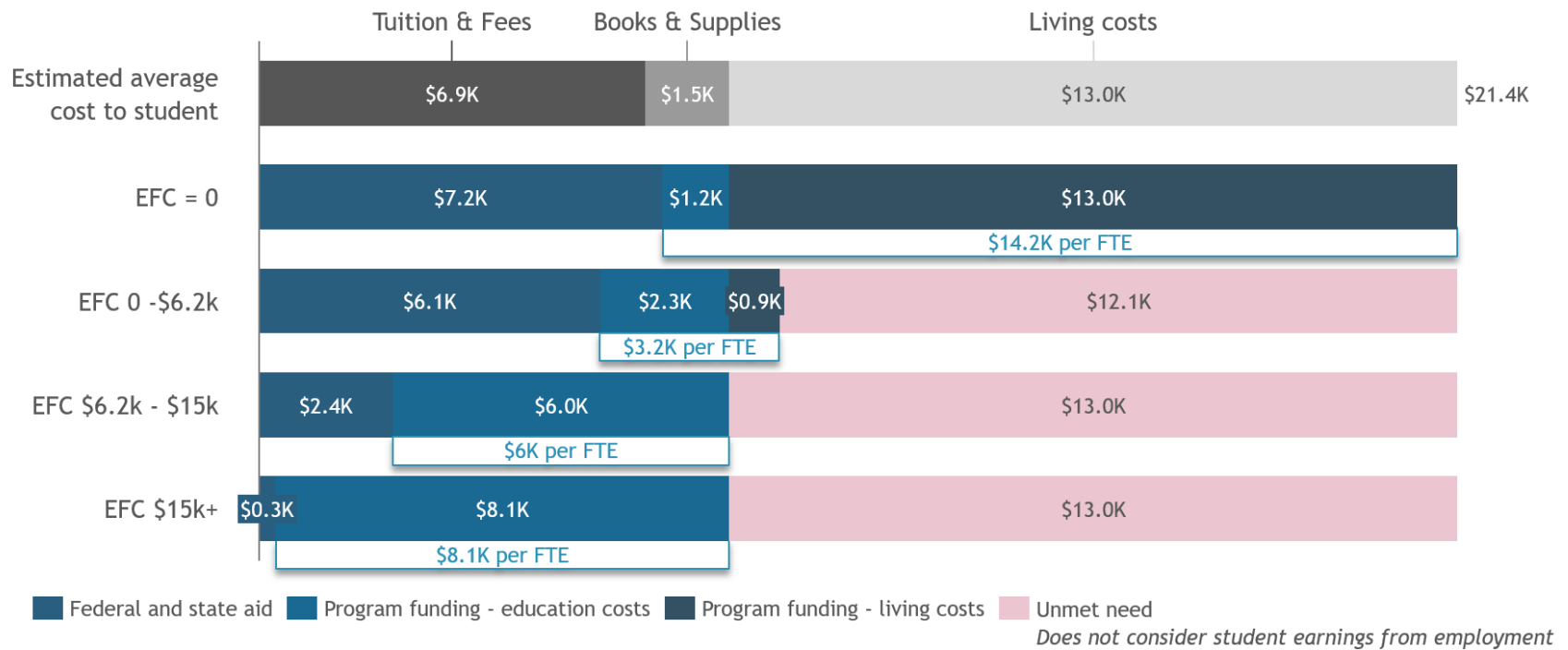


■ Federal and state aid
 ■ Program funding - education costs
 ■ Program funding - living costs
 ■ Unmet need

Does not consider student earnings from employment

Note: Costs are based on FY 2023 values; program model does not account for institutional aid or 3rd party aid in last dollar calculations, as it will be subsumed by the program
 Source: DHE, College Navigator, U.S Department of Education - Federal Student Aid

Living expenses for low-income



Note: Costs are based on FY 2023 values; program model does not account for institutional aid or 3rd party aid in last dollar calculations, as it will be subsumed by the program
 Source: DHE, College Navigator, U.S Department of Education - Federal Student Aid

Appendix 5: Descriptions of key organizations related to program execution

The Massachusetts Association of Community Colleges (MACC)

MACC supports and enhances the success of community colleges in Massachusetts across student initiatives, community benefits, and impact to the Commonwealth. MACC coordinates centrally organized programs such as SUCCESS, and was the body named in the legislative request for this initial report.

Department of Higher Education (DHE)

The Massachusetts Department of Higher Education is the organization responsible for executing the policies and operations defined by the state's Board of Higher Education. The Board of Higher education is the statutory agency in Massachusetts responsible for defining and coordinating the Commonwealth's efforts in the higher education ecosystem; the Department of Higher Education acts as staff to the Board, responsible for executing its policies and day-to-day operations.

Office of Student Financial Assistance (OSFA)

OSFA is a division within the Department of Higher Education dedicated to managing and overseeing all state-funded financial aid programs and related initiatives.