

Families await sharpest tuition increases in years

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By JUSTIN POPE, AP Education Writer Thu Jan 15, 1:15 am ET

Most high school seniors and their families have not made final college plans for next fall. But they know this: It's probably going to cost more than they had planned.

Even in good economic times, states and colleges have largely failed to hold tuition increases in line with inflation. Now as the slumping economy forces states to slash spending, students can expect the sharpest increases in years.

Families are calling on colleges to absorb as much of the burden as possible instead of passing the extra costs on to students.

"In my business, my customers are asking me for price concessions," said John Schock of Raleigh, N.C., who works in sales for a company in the automotive industry and whose son is looking at colleges. He said colleges "have an obligation as well."

Final prices will not be set until state budgets are finished in the coming months, but the trend is clear. In California, the governor's proposed budget would raise university fees around 10 percent. Florida's governor is trying to give several state schools more power to raise prices. And universities in both states plan to cut enrollment slots.

Other states could not wait until fall and have passed unusual midyear increases, including a whopping 14-percent increase in New York.

In previous recessions, state-supported institutions have raised tuition between 8 and 10 percent annually for several years running, said Nick Johnson of the Center on Budget and Policy Priorities in Washington.

"This recession is worse. This state fiscal crisis is worse than last time, so we would expect state tuition increases to be larger than in past years," Johnson said.

Students could see some relief at private universities, which may have less room to raise prices without losing business or looking greedy. Augustana and Princeton are among schools that have already announced their lowest tuition increases in at least 25 years. Merrimack College and Benedictine University have announced freezes for next year.

But four in five American college students attend public schools.

Many colleges are making budget cuts, but that's hardly good news for students. It means larger classes and, in states like California, fewer admission slots in the state system.

Jim Boyle, president of the membership and advocacy group College Parents of America, said next year will be especially painful because so many families have lost college savings in the stock market, or can no longer tap home equity loans because of the real estate crash.

Donna Kopec, who lives in the Chicago suburb of Palatine, Ill., planned to use a mutual fund her parents opened for her daughter to help pay expenses at the University of Wisconsin-Madison. But that fund has lost one-third of its value, and an e-mail from the school about economic conditions left her alarmed — particularly because she has three younger children.

"We're probably going to have to take some options off the table (for the other children) unless things change," said Kopec, who works in book publishing. "It's not easy." She hopes President-elect Barack Obama will implement campaign promises such as offering college grants in exchange for community service.

Low-income students in particular could also get help from Obama's proposed economic stimulus package, which may include measures to improve college affordability, such as increasing the amount of Pell grants.

State and college officials insist they know families are hurting.

"We're going to run into access and affordability issues, which we're already seeing hints of," said John Hayek, interim vice president of finance for Kentucky's Council on Postsecondary Education. He predicted Kentucky would hold increases below last year's figures: about 5 percent at community colleges and 7 to 10 percent at universities.

In the current academic year, the average list price for tuition and fees at four-year public colleges rose 6.4 percent to \$6,585, according to the College Board.

At private colleges, prices rose 5.9 percent, to \$25,143, though financial aid can reduce net costs substantially — to about \$14,900 on average at private schools.

Parents are frustrated that the extra dollars paid by families to public institutions are mostly just replacing vanishing state money, rather than buying a better education, according to a new report being released Thursday by the Delta Project, a nonprofit group studying college costs.

The report finds tuition rose 29.8 percent at public research universities from 2002 to 2006, but

education and general spending per student rose just 8.4 percent.

Meanwhile, the share of college budgets going to administration and students services — as opposed to instruction — rose.

"Students are paying more and arguably getting less," said Jane Wellman, executive director of the Delta Project.

Brit Kirwan, chancellor of the University of Maryland system, is luckier than many of his counterparts: Maryland's public colleges have not raised tuition for three years. So the state may have more flexibility to adopt a modest tuition increase.

But Kirwan insists everyone will share in the austerity.

"We have to keep the lights on and pay health care and other benefits and utility bills, but we're not expecting to do much more than that," he said. "With what's going on in our country, there's an obligation here to make it possible for kids to go to college."

On the Net:

<http://www.deltacostproject.org/>

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