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Public colleges should consider 'higher fee, higher aid'

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By **Guest Columnist**

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GEORGE BRIDGES: With state budget deficits deeper than projected -- likely with more to come -- Oregon's public universities are facing dire cuts. Political leaders confront a daunting challenge: While the state's economic future relies on higher education for the intellectual capital needed in the work force, the financial base of public higher education in Oregon, like many other states, has eroded to a critical level. This crisis isn't a line-item budget issue. It is a major social dilemma that demands serious reform.

As state policymakers consider this complex issue, they must look beyond short-term budget patches and examine the precarious, largely state-funded model that leaves the fate of higher education to unpredictable and vacillating economic conditions. Decision makers should consider the proven model that has allowed independent colleges and universities to thrive for decades -- even in challenging economic times. The "higher fee/higher aid" model serves one in four college students in the Northwest, providing robust support for instructional programs while offering generous levels of financial aid for students with limited resources.

Higher education at the lowest possible price might seem like the best way to ensure access. But it's proving to be an unsustainable concept that could ultimately exclude more students than it includes. In Oregon, political pressure to keep tuition low, combined with declining state support on a per-student-basis, has placed universities and their students at risk.

With record enrollment numbers in recent years, colleges and universities must face capping or reducing enrollments, constricting or cutting academic programs, and increasing recruitment and enrollment of out-of-state students -- who pay tuition at levels three or four times higher -- in lieu of qualified Oregon residents. In fall 2009, nearly 30 percent of newly admitted undergrads at Oregon's public colleges and universities were out-of-state students -- almost 3 percent above the previous year.

Whether public or independent, higher education is one of the few enterprises that charges less for its service than it costs to produce. To some extent this is inherent in residential colleges and universities, and schools may always need to rely on outside funding. But the funding model of independent institutions could help public universities bridge the gap between state and private contributions and operating revenue generated through

tuition -- increasing overall revenue and student aid in the process.

Of course, attempts to set a higher in-state public tuition, coupled with higher aid for students in need, have met resistance in most state legislatures despite the fact that the states are incapable of providing the support needed to sustain educational programs of the highest quality. The public also has largely resisted the concept, partly as the result of misperceptions about private education. This is especially evident in the Pacific Northwest, where the majority of older, college-educated adults attended large public universities with relative bargain-level tuition that was once generously subsidized by state governments.

There are several myths about the independent model that I'd like to dispel. First, increased tuition does not put higher education out of reach for students in need. In fact, a 2008 report by the Oregon Independent Colleges Association revealed that "24 percent of private college students come from families with incomes less than \$40,000 -- about the same proportion as at the state's public four-year universities."

The published tuition level is where the conversation begins, not ends. In fact, the actual cost of private education to families varies significantly according to their capacity to pay, with the majority of students receiving generous financial aid. Colleges such as Whitman, which enrolls many students from Oregon, provide substantial aid to students with financial need. Last year Whitman awarded more than \$20 million in financial aid -- an average of nearly \$14,000 per student -- with substantially more going to students with significant need. This adds a level of affordability often overlooked in media accounts of college costs, and it's made possible, in part, by the college's endowment and revenue generated from higher tuition fees.

Secondly, while the sticker-price at a college like Whitman is considerably more than at an Oregon state university, the 50 percent of our students who finish school with debt leave owing about \$18,000 -- a figure that parallels the public university average.

There are, perhaps, no bigger advocates for the protection and reform of public higher education than those of us from private institutions. Many of our graduates depend on Oregon state universities to continue their postgraduate education. In fact, we have more than 500 Whitman graduates who have pursued advanced degrees at Portland State, the University of Oregon, Oregon State or Oregon Health & Science University.

It's essential that future graduates can rely on Oregon's public universities to advance their academic and professional goals. When flagship state universities are weakened, all of higher education is weakened. Without a new funding model that provides adequate financial support for students in need and for universities' academic programs, the current crisis in financing public higher education could become an existential crisis.

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