University of Washington considers high tuition-high aid model

By ANNE KIM
ASSOCIATED PRESS WRITER

SEATTLE -- As college students fill lecture halls for classes this fall, public university officials are trying to think up ways to pay for that education.

But in the midst of competition and rising costs of instruction, they're facing the question of how to bring in more money while keeping college affordable for students.

"This is a perennial if not perpetual thought," said Jim Sulton, executive director of the Washington Higher Education Coordinating Board.

One of the ideas under consideration at the University of Washington: boost tuition, but follow it with a hike in financial aid for needy students.

It's a way to stay competitive and also maintain access for low-income students, said Gary Quarfoth, the university's budget director.

How much of a tuition hike the university would be arguing for and where additional financial aid money would be coming from - whether from increased state grants, student loans, tuition waivers, or funneled from the higher tuition - is being discussed, Quarfoth said.

But university President Mark Emmert said he'd like to be able to spend between $3,000 to $5,000 more per student. Competing schools in Texas, North Carolina and Michigan spend on average $2,000 to $3,000 more per student, Emmert said.

"We'd like to close the gap," Emmert said.

For the UW, that money could help hire more faculty, offer smaller classes, and provide more access to advisers.

"The question is, who's gonna pay?" said Sandy Baum, senior policy analyst at the College Board.

The financial aid to offset the tuition increases could wind up coming largely from student loans instead of direct grants or scholarships, she said.

The idea of raising both tuition and financial aid has been used by other universities in various forms for decades. In many instances, it essentially shifts some of the costs of public higher education from taxpayers to the families of more affluent students. It also funnels some of the money from the higher tuition to financial aid for needy students.

Vermont is one of these high-tuition, high-aid states and has been for the past four decades.

Tuition and fees for resident undergraduates at the University of Vermont add up to $10,748, said Scott Giles, vice president of policy, research and planning at the Vermont Student Assistance Corporation. That's compared to $5,610 for tuition at the University of Washington.

"The challenge we face is that the resources that legislature have provided us have not been sufficient, particularly over the course of the last 10 years," he said.
Vermont gives grants to students according to financial need, but the families that receive those grants borrow an average of $29,000 to get a four-year degree, he said.

In Washington, the idea comes at a time when state budget problems have prompted tuition hikes at colleges and universities. Resident undergraduate tuition increased by an average of 30 percent from the 2000-2001 to the 2003-2004 academic years, according to the state's Higher Education Coordinating Board. State money for higher education increased about 6 percent between 2000 and 2004, according to the National Conference of State Legislatures.

For the University of Washington, the state's flagship school, boosting tuition is an option because the competitive school often turns away applicants and draws many of its students from affluent families.

But for the state's smaller universities, the idea isn't too appealing.

At Eastern Washington University, higher tuition could push away many of the university's first-generation college students, said Brian Levin-Stankevich, the university's president.

"The sticker price alone can be a deterrent to even considering college," he said.

Instead, he's looking to cut class costs - which could include larger classes or using more technology - and raise more private money.

Patrick Callan, president of the National Center for Public Policy and Higher Education, said high-tuition, high-aid policies hit middle-income students the hardest because they don't qualify for much direct aid but still struggle with higher costs.

"They're the ones who have to borrow a lot or end up going somewhere else," Callan said.

Karl Boehmke, executive budget director at Washington State University, said that concern steers the school away from boosting tuition too high.

"It would very likely hit middle-income families the hardest," Boehmke said. "We have not found any approach that appears to be as good for the state and the students as what we used to have which was the state taking responsibility for most of the cost of education."

Boehmke said university officials will continue to look at other ideas, but will probably maintain the same tuition structure and keep lobbying the Legislature for more state money.

Hana Lee, a UW student, thinks the idea would hurt her. She's never applied for financial aid because she doesn't think she'd qualify.

Higher tuition would just mean more work for her parents, who she said already work more than 14 hours a day at the gas station they own.

But Joanne de Mars, also a UW student, said that tuition increases wouldn't negatively affect her as long as increases in financial aid remained proportional.

de Mars, who described her family as low-income, said that she depends heavily on financial aid, including scholarships, grants and loans.

"Things tend to work out, I think," she said. "Generally, you can always make things work out."