

<http://chronicle.com/weekly/v49/i44/44b02001.htm>

## POINT OF VIEW

### Controlling the Price of College

By HOWARD P. McKEON

As a matter of principle, every student deserves the opportunity to pursue his or her educational goals. But every year, thousands of highly qualified students can't afford to attend college and fulfill their dreams because higher-education institutions are setting their tuitions too high.

For the decade that I have served in the U.S. Congress, I have heard both Democrats and Republicans talk about making college affordable for all Americans. Yet simply talking about the issue has not brought about the changes we need to increase students' access to postsecondary education.

That is why, as the chairman of the Congressional subcommittee in charge of this year's reauthorization of the Higher Education Act, I will be introducing the Affordability in Higher Education Act of 2003. My legislation will hold higher-education institutions accountable for their expenses with the goal of making sure that all qualified students can attend. The proposal includes a new college-affordability demonstration program and legislation that would help students transfer credits between institutions. But the centerpiece is the "college-affordability index," which will serve as a standard measure to determine if colleges are raising their tuition and fees beyond reasonable rates.

Many colleges, both private and public, are not operating as efficiently as they should, and their prices reflect it. Since the early 1980s, tuition has outpaced increases in the rate of inflation and family income. The average tuition and fees at four-year colleges and universities have jumped almost 40 percent, after adjustment for inflation, during the last decade. Each year, in good and bad economic times, the price increases have been two to three times greater than the rate of inflation. They are clearly unreasonable and out of control.

They are also creating financial barriers that, according to the Congressionally sponsored Advisory Committee on Student Financial Assistance, prevent almost half of all college-qualified, low-income high-school graduates from attending a four-year college and 22 percent from pursuing any college at all. Students from moderate-income families do not fare much better -- 43 percent are unable to attend a four-year institution and 16 percent are unable to enroll at any college. At the rate we are going, by the end of the decade, more than two million college-qualified students will miss the opportunity to go to college.

As college prices have continued to rise, the federal government has drastically increased financial support for higher education. In the four years since the last reauthorization of the Higher Education Act, federal student aid has grown by more than \$23-billion. This year, Congress also raised the maximum Pell grant to \$4,050 a year. Student-loan interest rates are at their lowest levels in the program's 38-year history. Congress contributed more than \$67-billion in federal financial aid to higher education this year.

Although this Congress is committed to Pell Grants and other student-aid programs, we can no longer put billions of dollars into the system without expecting colleges to become more affordable. We can never give enough aid if colleges just keep raising their prices. The federal government will continue to do its fair share to help bridge the financial divide between what families can afford to pay for college and what they are expected to pay. We will support those institutions that are trying to make college less expensive. But because the federal government provides 70 percent of all financial aid, it is time for Congress to demand accountability. We must seize this opportunity and ask colleges to do their part in increasing access to higher education.

My proposed affordability index would be based on the Consumer Price Index, which is a fair standard by which most Americans judge the price of goods and services. (An average family's income increases at the rate of inflation, as do most paychecks.) Each year, just as they do now, colleges that take federal money would report the annual cost that students must pay to attend -- tuition, fees, room-and-board charges, and miscellaneous other expenses -- to the U.S. Department of Education. If a college's price exceeded the new affordability index, or more than two times the CPI, then that institution would have to explain why and present a plan to hold down future price increases. If the college did not reduce the rate of increase, it would trigger various sanctions. As a last resort, the institution would be declared ineligible for federal financial assistance.

Parents who are debating whether to send their sons and daughters to college while struggling to make ends meet have shown overwhelming support for my proposal. A survey conducted in May by Peter D. Hart Research Associates and Robert M. Teeter's Coldwater Corporation for the Educational Testing Service found that 74 percent of adults favor placing federal limits on college tuition to keep increases in line with inflation. Students who are juggling work, family, and college also applaud it and have agreed to help push for the final bill's passage.

But meanwhile, many people in higher education have already come out against the affordability index even though the details of my proposed legislation haven't been released. Those opponents contend that the legislation is ill timed, and that costs simply can't be held down. They argue that financially strapped states are slashing their support for higher education and forcing public colleges around the country to raise their tuitions.

I realize that the recent decisions of state legislatures to reduce their spending on higher education have exacerbated the problem. Appropriations have dropped in 14 states. At the same time, average tuition at four-year colleges has increased by more than 10 percent in 16 states; in Iowa and Missouri, tuition has risen by 20 percent, and in Massachusetts it has jumped 24 percent.

Yet that tells only half the story. It does not acknowledge that state support for higher education's operating expenses has grown more than 60 percent over the last decade. And it does not explain why tuition and fees have continued to rise even when state coffers have overflowed with taxpayer money. Higher-education institutions can't expect the federal government to make up the difference between what they feel they need and what states are willing to give them.

In fact, the recent state cutbacks to higher education are exactly why this bill is so important. State governments cannot stop supporting colleges and then expect either the federal government or the students themselves to pick up the tab. Colleges need to hold their state and local governments accountable, and the affordability index could be a tool to help them do that. Under the proposed bill, entities that play a part in raising tuition -- like state legislatures and higher-education boards -- would be brought into the process of explaining the increases to the Education Department.

Some people in higher education have even gone as far as to say that the proposal will result in federal

price controls and jeopardize institutional quality. While I don't argue with the premise that our higher-education system is the best in the world, I do think that we can do a better job of making college more affordable.

It is important to point out that we are not telling college administrators how they have to meet this challenge. That's for them to decide. As a former small-business owner, I recognize that policy makers in Washington and in state capitals around the country do not have all of the answers. Indeed, some colleges have worked hard, even in this economic climate, to ensure that their tuitions have not increased inappropriately. Their students have not suffered a loss in services. Many more higher-education institutions must think "outside the box" to ensure that low-income families are not priced out of the market.

This is certainly not the first time that I and other federal policy makers have been concerned about the issue of college affordability. In 1997, I led the effort in Congress to create the National Commission on the Cost of Higher Education to identify innovative ways that all stakeholders could work to stabilize the cost of attending college. Although some of the commission's recommendations have helped -- for instance, by prodding Congress and the Education Department to simplify the student-aid process and to provide more information to parents -- we must do more. The time is long overdue for Congress to tackle a problem that existing federal-aid programs have failed to solve.

This year alone, almost one-fourth of low-income families will not be able to afford college because the increase in their income is continually outpaced by the rate of increase in college tuition. That is a statistic that I am not willing to simply ignore. The last thing that I want to do is to tell colleges how to run their businesses, but I will not stand idly by as they continue to raise their prices each year. Nor will I be an accomplice to this growing problem by providing more and more federal aid without some form of accountability.

Our students are depending on us. We must end the round tables of rhetoric and stop merely talking about broadening access to higher education for America's students. We must deal directly with one of the most important issues affecting the future success of our young people.

*Howard P. McKeon, a Republican from California, serves in the U.S. House of Representatives.*

<http://chronicle.com>

Section: The Chronicle Review

Volume 49, Issue 44, Page B20

---

[Front page](#) | [Career Network](#) | [Search](#) | [Site map](#) | [Help](#)

---

Copyright © 2003 by The Chronicle of Higher Education