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U.S. Lawmaker Plans Bill That Would Penalize Colleges That Raise Tuition Too Much

By STEPHEN BURD

Washington

A key Republican in the U.S. House of Representatives announced on Wednesday that he plans to introduce legislation that would punish colleges that raise their prices too much.

Rep. Howard P. (Buck) McKeon, the California Republican who heads the House subcommittee on higher education, said that his bill would aim to increase college affordability and accessibility. "For the decade that I have been in Congress, I have heard people on all sides of the issue talk about making college affordable for all American families, with little result," he said in a written statement. "I will not wait any longer. Students are depending on us now."

Under the bill that Mr. McKeon plans to introduce within the next several weeks, a college that increased its cost of attendance by twice the rate of inflation or more would be required to provide the U.S. Education Department with a written statement explaining why it exceeded that ceiling and a strategic plan outlining how it planned to hold down future price increases. If the college failed within a year to bring its tuition increase back beneath the double-the-rate-of-inflation ceiling, sanctions would be triggered, including a possible loss of eligibility to participate in the federal student-aid programs.

College lobbyists called the plan "misguided" and "irresponsible." They said they were taken by surprise by the plan and were shocked that it came from Mr. McKeon, with whom they have long had good relations.

Terry W. Hartle, senior vice president for government and public affairs at the American Council on Education, said that imposing price controls on colleges was a bad idea. "If enacted, this proposal would represent an enormous expansion of the federal government's control of colleges," he said. "And it's hard to imagine that such a proposal is being sponsored by a champion of free enterprise and market economics."

Mr. McKeon's decision to unveil his bill now "was incredibly ill-timed," Mr. Hartle said, considering that so many financially strapped states are slashing their support for higher education, forcing many public colleges to raise their tuition. He noted that 37 states enacted midyear budget cuts this academic year, and that at least 20 states expect to spend less next year than they did this year.

"Would he tell hospitals, I don't care if you have to put bunk beds in the intensive-care unit, keep your prices down?" Mr. Hartle asked.

In an interview, Mr. McKeon said that, because he is a fiscal conservative, it had been difficult for him

to offer the proposal. But, he said, he did not believe that the bill would impose price controls on colleges. He noted that, under his plan, colleges would ultimately decide whether they wanted to reduce their prices.

"The last thing I want to do is to tell colleges how to run their businesses," he said. "But I don't want to be an accomplice helping them raise their prices by providing more and more federal aid."

Mr. McKeon said it is frustrating to keep increasing spending on the student-aid programs, only to see colleges continue to increase their prices so significantly.

"We're doing our part -- we've increased spending on Pell Grants and reduced student-loan interest rates to an all-time low," he said. "But we can never provide enough aid if colleges just keep raising their costs."

According to an annual survey by the College Board, tuition at public four-year colleges rose by 9.6 percent for the current academic year. At private four-year colleges, it rose by 5.8 percent, and at public two-year colleges, it rose by 7.9 percent. The rate of inflation, as measured by the Consumer Price Index, was 1.5 percent for the fiscal year that ended September 30 (*The Chronicle*, November 1).

The bill that Mr. McKeon plans to introduce would also allow the Education Department to create a program of "college affordability experimentation sites," which would reduce regulations for colleges that "try new innovative approaches to delivering higher education while increasing college affordability," according to a news release from Mr. McKeon's office.

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