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Colleges Caught in a Vise

By STANLEY FISH

CHICAGO — When a parent calls to complain about overcrowded classrooms or a reduction in courses and thinks to cinch the case by saying, "After all, I'm a taxpayer and I pay your salary," I respond by asking a question: what percentage of the university's operating costs do you guess are covered by public funds? Almost always, the answer is something on the order of 75 percent. When I say, no, the figure is just 25 percent and heading downward — and add that in some states the figure has dipped below 10 percent — the reaction is usually equal parts surprise and dismay.

I follow up with another question: what percentage of the cost to educate a student do you guess is covered by tuition? Again, the parent is usually shocked by the answer: if you include not just classroom education but the cost of everything that must be in place for that education to occur — a library, laboratories, computer centers, building maintenance, utilities, safety patrols and more — tuition covers only 26 percent. At this point in the conversation the unhappy parent is beginning to see what public universities are facing these days: "You're telling me that state funds are being withdrawn at the same time expenses are exceeding tuition by a factor of three to one. How can you stay in business?"

That's a good question. It is, however, one that two Republicans on the House education committee, John Boehner and Howard McKeon, do not seem to have spent much time considering. Rather, they have issued a report, "The College Cost Crisis," holding that "institutions of higher learning are not accountable enough to parents, students and taxpayers — the consumers of higher education." This conclusion is not backed by any analysis, except for a couple of references to "wasteful spending." But the message is clear: universities should operate more like businesses and become more efficient. If they don't, Mr. McKeon has the answer, a bill that would cut federal financing to colleges whose tuition hikes are more than double the rate of inflation or the consumer price index.

But this remedy won't do anything except make the situation worse. If there is a crisis in college costs it has not been caused by price-gouging or bureaucratic incompetence on the part of universities; a better analogy would be the mass circulation magazines of the 1950's like Collier's and Look, which folded at the very point when they had more readers than ever. The problem was that production costs far outpaced the revenues from subscriptions and advertisers, and every new reader actually cost them money.

This is just what is happening at many public universities. More people want the product — applications to my university are up 35 percent in the past two years — but as the demand for it rises the government support for delivering it is withdrawn. The result: each new student we take increases the number on the debit side of the ledger. Moreover, the costs that neither tuition nor public dollars will cover are rising exponentially. Even if states impose salary and hiring freezes, they would be more than offset by increases no state government can control: raises mandated by union contracts, skyrocketing utility and insurance rates, the cost of replacing worn-out equipment, the cost of replacing

equipment declared obsolete after three years, the cost of buying equipment that didn't exist 18 months ago, the cost of maintaining a crumbling physical plant, the cost of security measures deemed necessary after 9/11.

And now, on top of this, comes the threat of Mr. McKeon's bill. First of all, it seems curious to find members of the free-market Republican Party advocating price controls. In fact, it is downright unbusinesslike. Because if a business were to find itself with rising costs and falling revenues it would lop off unprofitable lines, close units, downsize the work force, relax quality control and, of course, raise prices to whatever level the traffic would bear. In university terms, this would mean offering fewer courses, closing departments, sending students elsewhere, skimping on advising, hiring the pedagogical equivalent of migrant workers, eliminating remedial programs, ejecting the students for whom remedial programs are necessary, reducing health and counseling services, admitting fewer students and inventing fees for everything from registration to breathing.

Now, if a university were to offer this list as its plan to be more businesslike, Representatives Boehner and McKeon, the rest of Congress, America's parents and our other "consumers" would scream bloody murder. "That's not what we're paying for," all these aggrieved parties would complain. But, of course, that would be exactly what they were willing to pay for.

If the revenues sustaining your operation are sharply cut and you are prevented by law from raising prices, your only recourse is to offer an inferior product. Those who say, as the state has said to the University of Illinois, "We're taking \$200 million from you but we expect you to do the job you were doing and do it even better," are trafficking either in fantasy or hypocrisy. I vote for hypocrisy.

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