

State higher ed still affordable

Study misleads

September 19, 2004

When a respected educational think tank awards Colorado a D-minus on one of five indicators of success in higher education, the fact attracts media attention the way a black hole attracts matter - and no more useful information comes out of it.

The National Center for Public Policy and Higher Education issued its 2004 report Wednesday. The first came out in 2000 and the second in 2002. The five indicators it uses, with Colorado's grade in parenthesis, are: preparation for college (A-minus), participation in higher education (B), completion (B-minus), extent to which the state benefits from higher education (A) and, finally, affordability, with the aforementioned D-minus.

It so happens, however, that the "affordability" threshold is set so high that only California got a B, Minnesota a C-minus and Utah a C.

There were a few other Ds and 36 Fs.

Since somewhere around 14 million people are attending college right now in the United States, it must be somewhat more affordable nationwide than this measure suggests.

Half of a state's affordability grade depends on the percentage of statewide average family income necessary to pay college expenses, less any financial aid. For Colorado, that's 21 percent at community colleges, 24 percent at public four-year colleges and universities, and 59 percent at private four-year schools. These percentages have scarcely changed in a decade. In fact Colorado scores better than California on all three.

Another factor is how much the state spends on need-based financial aid relative to the amount spent by the federal government. That percentage has risen from 17 percent to 41 percent in Colorado over the last decade, but the benchmark, the freest-spending states 10 years ago, is 89 percent.

The only reason California gets a better grade than any other state is that the next factor is the share of income that the poorest families need to pay for tuition at the lowest-cost colleges in the state. In California, that's 4 percent, while in Colorado it's 13 percent.

True, California's network of community colleges is more affordable for low-income families, but there's a tradeoff; the low tuition is subsidized by higher taxes. Who is better off as a result is far from obvious. Moreover, the fact that every category of college is less affordable in California than in Colorado should have something to do with an affordability grade, shouldn't it?

Of course, when Colorado shifts to its new system of issuing vouchers for higher education, figuring out how to make these comparisons is going to be tricky. Nominal tuition will go up, but the amount of the increase that is offset by the voucher will presumably not be counted as "need-based" aid, since it will be available to every student.

Four years ago, when Colorado got a B-minus in affordability, then-Executive Director of the Colorado Commission on Higher Education Tim Foster said community-college tuition was partly to blame. One consequence of the state's new voucher system is that it should make community colleges more affordable relative to other choices; indeed, that was one of the justifications for it. Wouldn't it be strange if the result were to lower Colorado's affordability grade?