Suddenly, State Universities Have More Allure

By ROBERT D. HERSHEY Jr.

GROWING up, Jeni R. Mattingly never placed the University of Maryland, her state's leading public institution, at the top of her college shopping list. To her and many of her classmates at Bethesda-Chevy Chase High School, the university's campus in College Park was too big, too close to home and a bit short on cachet.

Nevertheless, as the college application season heats up, the university figures prominently in the thinking of Ms. Mattingly, 17, and many of her peers. "Everyone I know is applying," she said, with finances being a chief consideration even in a prosperous Washington suburb like Bethesda.

Ms. Mattingly says that she is hoping to avoid a large debt burden after graduation and that she wants to be able to travel during summer vacations. Other students cite stock market reverses and the sluggish economy as reasons many of them, and their parents, are looking to taxpayers to pick up much of the bill for college.

Students have plenty to cope with in applying to colleges, from filling out myriad forms, writing essays and asking for recommendation letters. On top of that came the report last month from the College Board that tuition at four-year public institutions was up 9.6 percent from last year, more than six times the inflation rate. That followed a 7.7 percent jump last year. For private colleges, the increases were 5.8 percent this year and 6.4 percent last year.

The increases mainly reflected constriction in state budgets caused by the economic downturn. "As tax revenues decline, public colleges have searched for other sources of funding and for many, that has led to tuition increases," said Gaston Caperton, the president of the College Board.

Despite the sharp increase, tuition at state-supported colleges in the United States averages $4,081 a year, just 22 percent of the $18,273 average for private institutions. There seems little danger that this mainstay of affordable college education — for the last 30 years nearly 80 percent of the country's students have been enrolled in tax-supported institutions — is edging out of broad financial reach.

"Even though they raised the price," said Ms. Mattingly of Maryland's increase of 6.2 percent this year, "it's still really, really low."

Maryland's tuition and mandatory fees, excluding room and board, for in-state students total $5,670 this year — comparable to those for many other big public universities. But that total is still much less than the average of $25,000 a year, excluding room and board, for Ms. Mattingly's other four options, all private institutions: Mount Holyoke, Bennington and Kalamazoo Colleges and New York University.

The increasing appeal of public institutions is showing up in a surge of inquiries and campus visits. For example, Rutgers, the leading New Jersey state university, says applications for next year are running
nearly triple the year-ago pace, while Saturday campus tours have nearly doubled, forcing the school to scramble for extra buses and guides.

Upper-income families, in particular, are more likely to look at state institutions than they did just a few years ago, said Terry W. Hartle, senior vice president at the American Council on Education, an association of colleges and universities. In part, this may be a backlash against the pricing strategy of private colleges, which generally has been to raise tuition enough to extract maximum revenue from those who can afford it and to offer enough aid to attract those who cannot. High tuition — now more than $28,000 a year at many elite private schools — is often taken as a sign of quality and, not incidentally to some, it provides some snob appeal.

The sluggish economy and a post-Sept. 11 desire to stay closer to home are among the reasons for the rising interest in public schools. But the trend also reflects ever-keener competition for places in top-notch private institutions.

For their part, several states, including Indiana, Georgia and Connecticut, have made themselves more attractive by establishing honors colleges within their universities that allow top students a free or nearly free financial ride. The idea is to prevent their best students from being recruited by other states and to enhance national reputations, said Howard Greene, an education consultant from Westport, Conn., and the author of many books about colleges. "These are some of the best bargains around," Mr. Greene said.

OTHER signs of public universities' growing appeal are the huge premiums that the more prestigious ones — sometimes referred to as "public Ivies" — command from out-of-state students. While out-of-staters typically pay two to two and a half times the tuition and fees charged to residents, the University of Michigan at Ann Arbor charges $23,738, or three times as much as for state residents, while the University of Virginia charges $19,805, more than four times as much. At the University of North Carolina at Chapel Hill, where in-state tuition is $3,856, outsiders pay $15,140.

In some cases, out-of-state students may eventually be able to establish residency, to qualify for the lower in-state tuition. Each state has its own requirements, though many will demand proof that a student has had permanent ties for at least a year. Evidence of such links may include registering to vote, getting a driver's license or paying income tax.

Of course, price is only part of any proper calculation of value when choosing a college. A student must "fit" the school in terms of many variables, including departmental and overall academic distinction, social life and the makeup of the student body, because students may learn as much from their peers as from their teachers. Some criteria are hard to judge. A school may have a star-studded faculty, for example, but how much of it is available to undergraduates?

Still, price can be legitimately decisive, particularly if a student intends a career in a relatively low-paying field in which it would be hard to pay off heavy debts.

While degrees from Ivy League and other expensive private schools still open many doors to the job market, the upper reaches of corporate, scientific and public life are full of graduates of public schools. "The old-school-tie effect is nowhere near what it once was," Mr. Greene said.

Many corporate recruiters seem to care little. "I haven't noticed a distinct difference," said Dawn Towe, a recruiter for the Target Corporation. In fact, she said she finds that private-college students often harbor "unrealistic expectations" about their ability to rise quickly in retailing, where they may not have
held even summer jobs.

"They want to be in charge of marketing" almost from the outset, Ms. Towe said.

Not surprisingly, the greater interest in public colleges has helped them become more selective, too. That means admissions are no longer almost automatic at many schools. What's more, it is often harder to get all the courses needed for graduation in the standard four years. About half the graduates at 100 public colleges covered by a recent Kiplinger's magazine survey took longer than that.

Then there's the issue of financial aid. Families, especially those wrestling with college finance for the first time, may overlook one important factor as they compare costs: that private institutions can provide more aid in the form of grants, scholarships, loans and campus jobs than public schools. About 75 percent of students attending private colleges and universities receive some type of financial aid, compared with about 60 percent of students at public schools, according to the College Board. It said that a record $90 billion was available in financial aid during the 2001-02 academic year, with increases in grants, used more often by private schools, surpassing loans for the second consecutive year.

"The public sees the posted price, which is dramatically higher" at private schools, said Mr. Hartle of the American Council on Education. "We don't do a very good job of telling people what it's actually going to cost."

TRADITIONALLY, most private schools make admittance decisions on a need-blind basis, without regard to the ability to pay. They then make it financially feasible for students they want. Amherst College, for example, lists a cost of $35,690 for tuition, room and board. But 47 percent of students have been determined to have financial need, with the average annual aid package worth $24,229, according to the U.S. News and World Report annual survey published this year. While 47 percent of students at Amherst graduate with debt, the average amount is a fairly manageable $12,270. Federal tax credits and various tax-advantaged prepayment plans can lighten the burden further.

Even well-to-do families often qualify for aid. "People are surprised to learn that a $100,000 income often qualifies" if, say, there are big medical bills or more than one sibling in college at the same time, Mr. Greene explained.

In fact, as lesser private schools engage in an increasingly fierce price war to fill seats, even elite private schools that are flooded with applicants use their big endowments to offer hefty subsidies to enroll students they desire most.

Public universities, with their lower prices, not only have smaller aid budgets but are also chary about helping out-of-staters. Budget cuts have been severe, suggesting that prices will continue to rise faster than at private institutions.

The best strategy for students, said Peter Warchal, a counselor at Exeter High School in Pennsylvania, is to apply to a "dream" school, to a couple where the chances of getting in are 50-50 and a "safety valve," all with little regard for whether they are public or private. After all, he said, the net price gap is often bridgeable, with financial aid.

Still, Jeni Mattingly will be crunching the numbers. "What it's going to come down to" next month, when many applications are due, she said, "is which school will give me the most for my money."