

Big tuition hikes? Maybe you won't have to break the bank

Universities struggle to keep fees in check for students

by Kristen Jordan Shamus and Peggy Walsh-Sarnecki
Detroit Free Press
July 11, 2007

Steep tuition increases are not foregone conclusions for at least some of the state's public universities this year, as their leaders meet this month to figure out how to balance budgets stretched thin by state aid cuts without placing the burden on the backs of students.

Increases are inevitable, officials say, but through a number of cuts -- such as slowing down hiring, delaying renovations and scheduling classrooms more efficiently -- some universities are finding ways to minimize the increases.

"If tuition goes up too much at Wayne ... our students won't go anywhere else," said Richard Bernstein, vice chairman of the Wayne State University Board of Governors. "They'll just drop out of college. But at the same time, we're a world-class institution. So really, where we're at right now is that Wayne is at this crossroads. The real question is what direction does Wayne move in? Does it continue to be this world-class institution to working-class people?"

The state's 15 public universities had \$166 million in cuts and deferred payments of state money in 2006-07, and they're making tuition and budget decisions even though they're uncertain about what the Legislature will do with the 2007-08 budget.

Michigan Technological University and Ferris State University -- with respective increases of 9.51% and 6.7% -- have already decided tuition rates for the fall. Trustees from Michigan State and Oakland universities are voting on their tuition rates today.

A difficult situation

The situation is particularly harrowing for Wayne State, a largely commuter campus in the state's largest urban center, where students often have side jobs to pay their tuition bills and can't afford to absorb the pain of declining state aid to universities.

"What makes our situation most difficult is that we're affecting working-class students more than most other schools," Bernstein said.

The board met with administrators Tuesday to discuss how the school can balance its budget and yet keep tuition down -- despite \$3.2 million in cuts in its state aid in the 2006-07 budget year, deferred payments of \$20 million and the 2007-08 state appropriations still up in the air.

"Everything is on the table, and we're looking at any and all options to balance out this current crisis," Bernstein said. "At the point that I'm at, I won't rule anything out."

Possibilities could include cutting pay for staff, faculty and administration, selling property, deferring maintenance projects, leaving vacant positions unfilled and increasing class sizes, he said.

The school's president, Irvin Reid, sent a campus-wide e-mail in late June urging frugal purchasing, reducing expenses for things like office supplies, and stopping new capital improvement projects and out-of-state travel.

Paul Massaron, a Wayne State board member who has historically voted against sharp tuition increases, says he can't say whether the board might vote to raise rates 10% or more. Administrators are to offer up three tuition increase possibilities to the board at its July 25 meeting.

"I'm not committed to double digits just because everybody says there should be double digits," Massaron said.

Students end up paying

But Mike Boulus, executive director of the Presidents Council, State Universities of Michigan, said the state's public universities are in a nearly impossible situation. Most have little choice, he said, but to raise the sticker price.

"The State of Michigan is balancing their books on the backs of the students and parents," he said. "It's very clear what they've done. Now the question is whether they'll continue to do it in 2008."

One way of coping, he said, is by adding so-called contingency fees, as Ferris State did last week.

Students at the Big Rapids school will pay an \$8-per-credit fee to offset state aid cuts. But if lawmakers provide more state funding than the school expects in the 2007-08 fiscal year, Ferris' board hopes to eliminate the fee in the spring term. The measure is expected to generate \$2 million for the school.

Wayne State is considering a similar plan, said Rob Kohrman, assistant vice president of the budget office. He estimated that a \$10-per-credit contingency fee could generate \$7.5 million for school.

But those fees still hit students hard.

Yvette Ford, 25, of Royal Oak, a senior at Wayne State, said Tuesday that she's glad she's graduating in the next few weeks so she won't have to ante up more in tuition and fees.

"The most important thing is education here in Michigan," Ford said. "If they're driving people out of getting an education, it's just going to have a negative effect on the state as a whole."

MongThu Ngo, 23, of Southfield said she transferred to Wayne State from the **University of Michigan** because the Ann Arbor school was too expensive. Now she's worried about being priced out of Wayne State as well.

"I have to work to pay for it," said the fifth-year senior who commutes to campus and works at a nail salon to help pay the bills. "I don't want to take out loans."

Finding solutions

While most universities are not releasing information yet about how much tuition might go up at their schools or what measures they're taking to keep costs down, many officials say they're concerned that a big jump in the cost of college would effectively close the doors to higher education for many students at a time when the state most needs an educated workforce.

At Western Michigan University, board members urged administrators last month to come up with "a bold approach that is both creative and sensitive to the needs of students, their families and the state's economy," essentially rebuffing a plan that would have increased that school's tuition by 9%.

Repeated calls to board Chairman Dan Pero to discuss what some of those approaches might be were not returned, and no date has been set for Western's leaders to vote on a budget plan.

MSU officials announced Tuesday that its board would consider a 9.6% increase today, which would cost the average in-state undergraduate student about \$798 more this fall, said Terry Denbow, vice president of university relations.

As part of the plan, MSU President Lou Anna Simon would be given authority to raise or lower tuition for the spring term based on whether the state makes good on its promise to pay back the \$26.5 million it deferred from MSU and doesn't make additional cuts to state aid. The meeting is set for 12:15 p.m. today in the Hannah Administration Building on campus.

"It's not about Band-Aids solving current fiscal year problems," Denbow said. "It's about addressing the future, and I think this is a commitment to that. We could always do better to save and to cost cut, but those will never be anywhere near the levels we're talking about to protect quality."

Contact KRISTEN JORDAN SHAMUS at 313-222-5997 or kshamus@freepress.com.