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COUNCIL FOR A BETTER LOUISIANA

CABL Commentary

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Time for a Reality Check on College Tuition

Let's face it. College tuition in Louisiana has been going up over the last few years and there's not exactly a huge appetite to talk about giving higher education increased flexibility to raise tuition even further. But it's a conversation we need to have in Louisiana and one the public must fully understand.

First off, CABL doesn't like the notion of raising tuition any more than any one else. In a state like ours, we need all the access possible to ensure every student has the opportunity to pursue a postsecondary education credential of their choice.

But even less than we like tuition increases, we don't want to have a postsecondary education system that doesn't meet our needs. That could be where we're headed. Beyond that, we'd like to think that we could aspire to having some truly great public universities in our state. But that's looking more and more like a pipedream.

Consider a couple of points worth noting:

- Higher education funding from the state has been on the decline for the last five years and the reduction now totals more than 30%. There's no reason to think the next couple of years will be any different.
- Despite tuition increases, total funding for higher education in Louisiana – counting both tuition and direct state support – is the second-lowest in the south.
- Faculty salaries, which are regularly criticized as being too high, are actually third- lowest in the south and nearly \$10,000 below the southern regional average.
- For the last couple of years, tuition increases have basically been used dollar-for-dollar to offset corresponding cuts in state support.
- But even with that, mandated costs such as health care and retirement have risen by almost \$125 million over the last five years.

Added to all of that, the current fiscal situation in the state is looking all the more dire as lawmakers try to remove half-a-billion non-recurring dollars from the budget. That would have a huge impact on higher education if that revenue was not somehow replaced.

That's why we are having a serious debate about giving the higher education management boards more flexibility to set tuition rates instead of leaving it in the political venue of the Legislature. And, by the way, Louisiana is the only state in the country that requires a two-thirds vote of the Legislature to raise tuition. That is something CABL believes we need to change.

We are well aware of the arguments against it.

1. Tuition costs have already gone up the last few years. Yes they have, but between the cuts and the rise in mandated costs, higher education is still moving backwards. And whether we like to talk about tuition increases or not, tuition in Louisiana is still the second-lowest in the southern region. In fact, tuition at LSU is 30% below the average of its peers and, while Louisiana Tech is the closest to its peers, it's still more than 13% behind.
2. It will impact TOPS. Yes, it will if we do nothing about TOPS. At some point we are going to have to come to grips with the fact that Louisiana has flipped its funding model upside down. The state used to provide most of the support to higher education with students picking up a much smaller portion of the tab. But we don't do that anymore. Our model now says if you want to go to a university in Louisiana, our state will provide some support, but tuition and fees are going to have to pay for most of it. TOPS will never go away, nor should it, but it continues to be an expensive program for the state that we will have to make more sustainable if we hope to have even half-way decent schools in Louisiana.
3. If we increase tuition, they'll just reduce state support to higher education by the same amount. Maybe, but that's ultimately a decision for the Legislature to make. If institutions don't have tuition flexibility, they'll likely get the budget cut anyway and the resources that could preserve quality will just continue to erode.

The truth is that state policy – for good or bad – is driving higher education into more of a market-driven model. That's just a reality that we are going to have deal with or change. Given that, we need to give our institutions the flexibility to price their product in a way that is still market sensitive, but gives them some resources to maintain and improve quality. Cheap tuition at a crummy school is not exactly a bargain. The last thing we need is for Louisiana to become a state that's home to a lot of crummy schools.

It wasn't that long ago in political campaigns past where there was talk about strengthening higher education and positioning it to be one of the state's drivers in economic development. There was talk about increasing support for higher education, developing national caliber research departments at our universities and having a nationally competitive flagship university – all to help bolster and modernize our state's economy.

The recession may have taken the wind out of those sails, but we still need to have a strong vision and purpose for all of higher education. Massachusetts is dealing with the after effects of the recession, too. But in that state a new report called *Time to Lead* is refocusing attention on postsecondary education. As it says, "*Time to Lead* asks the people of Massachusetts some basic questions: Is excellence in public higher education important to us? Do we truly need to be national leaders? And if we answer 'yes' to these questions, what will it take for Massachusetts to have one of the top-performing public systems in the nation?"

It's unfortunate you don't hear much of that discussion in Louisiana these days. We should be raising those same types of questions ourselves and at least articulating a vision of what our state aspires toward. But we won't even have much of a higher education system to build upon if we don't figure out a way to get appropriate resources to our community and technical colleges and universities. Providing them tuition flexibility is one tool we can give our higher education leaders to help them manage through an increasingly serious situation at a most critical time.

Postsecondary education is too important to Louisiana to allow it to sink into a mediocrity from which we might never recover.