OSL, state board debate tuition, taxes

Budget fate faces '79 legislators

By DANA TIMS
Of the Emerald

SALEM—Several methods of setting tuition levels were discussed, but unless students mount an effective lobbying effort, tuition will go nowhere but up, a panel of educators concluded Saturday.

The panel, sponsored jointly by the Oregon Student Lobby and the State Board of Higher Education, was an opportunity for the OSL to air its views and assess its strength.

An ominous shadow was cast over the discussions, however, by the meeting of the House Democratic caucus a few blocks away at the Capitol. The decision regarding the House speakership, it was agreed, would determine the fate of higher education this session.

Chancellor of Higher Education Roy Lieuallen told the crowd of 150 that although the Board of Higher Education determines tuition levels, the Legislature must approve the budget. In a practical sense, he said, this throws the fate of education into a legislative arena, to compete with all other interests.

"The view that education is an inherent public good is not shared by all," said Lieuallen, who expressed fears that legislators will continue a trend toward hiking tuition, rather than raising education's share of the state's general fund.

Lieuallen outlined the three methods of setting tuition likely to be considered by the next Legislature. The traditional approach, abandoned in the 1977 session, used tuition to balance the difference between the board's budget request and the actual general fund allotment.

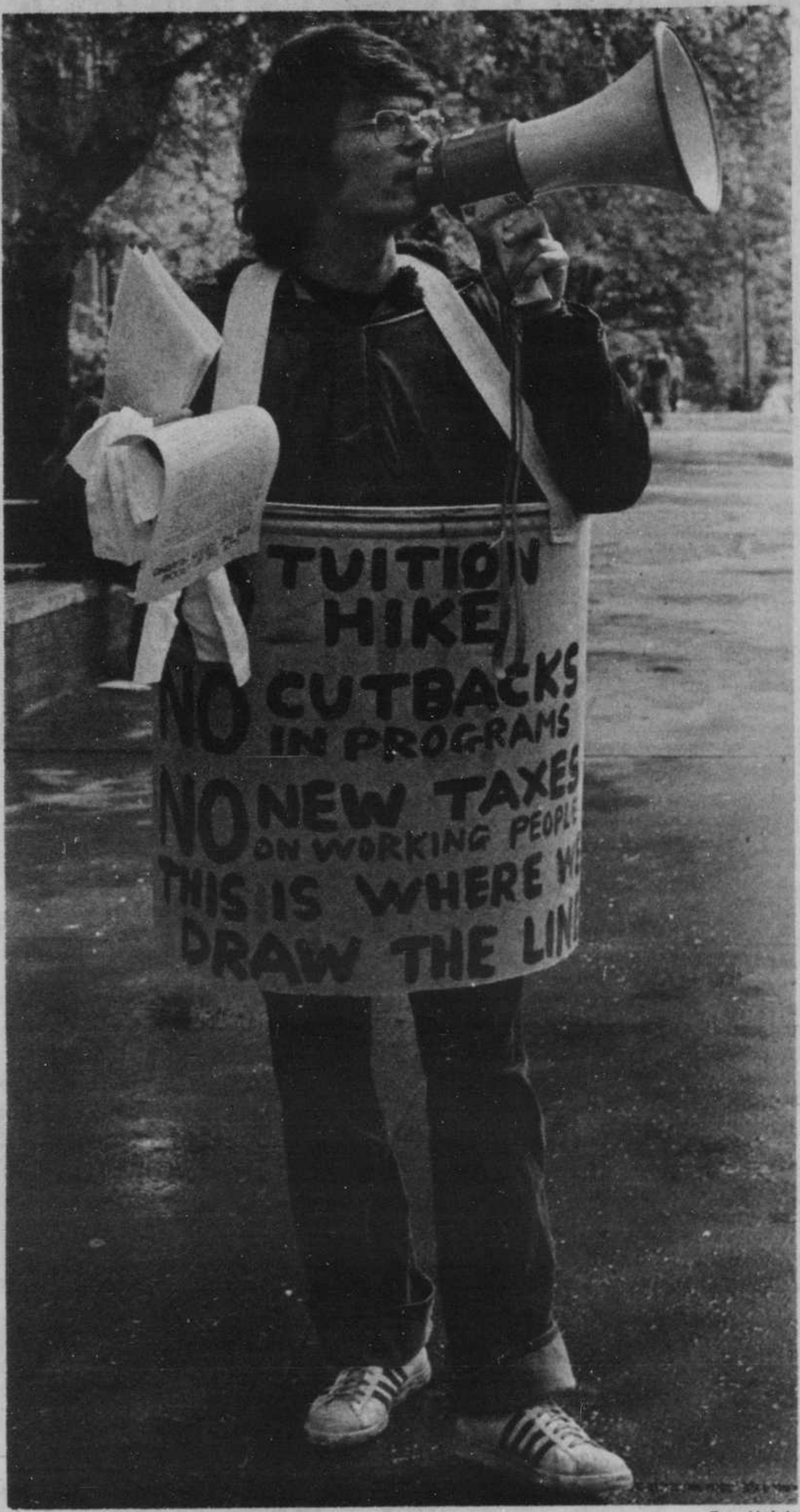
But a rigid plan based on cost of instruction per student was adopted last term, and likely will be again, said Lieuallen. When faculty salaries go up under this approach, so does tuition.

"Clearly, this pits the interests of students against faculty and interferes with the educational process," Lieuallen said.

A third approach would take into account the resources and facilities of the state system of universities and colleges and uses tuition as a tool to direct the flow of students where they can be accommodated, Lieuallen said.

Lieuallen, in challenging the Legislature to increase its general fund allotment to education, hinted that another approach would be more effective.

"A prayer might help," he said.



Emerald photo

Tuition has been the key legislative issue identified by the Oregon Student Lobby in its goals for the 1975, 1977 Legislatures and will be again in 1979. Two years ago the Revolutionary Student Brigade's demonstrations concerned the skyrocketing cost of education. In-state tuition for the 1977-78 school year was frozen at 1976-77 levels, but has been increased every other year since 1975.

Higher aid confronts low tuition

By KATHY McMANUS
Of the Emerald

SALEM—Should the State Board of Higher Education support high tuition with more loan programs or low tuition without student loans?

Both views were discussed at a tuition symposium Saturday.

Jim Jung, the executive secretary for the Wisconsin Higher Educational Aids Board, supported raising tuition and extending existing student financial aid programs.

"Although full extension of low tuition is ideal, we don't have a general tax system that is genuinely progressive," he said. "In absence of this progressive tax system, I find it difficult to support low tuition. I support full extension of traditional need-based student financial aid."

Fred Harcleroad doesn't find it at all difficult to support low tuition. "The cost of tuition is the single most significant factor in the college attendance decision," he said.

Harcelroad, director of the Center for the Study of Higher Education in Arizona, stressed that lower tuition costs make higher education more accessible.

Jung disagreed. Students who need help would receive aid and those who can afford it would pay the full cost of instruction, he said.

One problem with the traditional aid programs is that they measure the wrong need at the wrong time, Jung said.

"They focus on parental income and don't consider the financial position of the student after he graduates," he said.

Jung said he would like to see a loan program in which students pay for their education after graduation according to their income. This income-contingent loan program is fair, he says, because those who reap benefits form their education in the form of higher income, would pay for those benefits.

But Harcelroad called this an "indentured student plan" and criticized a program that results in students being in debt before they go into the work force. He added that the transition period , during which the burden is shifted to the students, results in inequity.

One problem Harcelroad sees in raising tuition and financial aid rests on the percentage left over for the poor student to pay on his own.

."Federal programs are always too little too late," he said. "In the long run, the best way to get students in school is low tuition."

Both speakers oppose tuition tax credits, saying the idea is based on emotion.

Budgeting entangles agencies

By KELI OSBORN
Of the Emerald

Although tuition and fees bills at Oregon state schools fall somewhere in the middle when compared to those of colleges and universities across the nation, steadily increasing costs and a new formula for setting tuition have some people worried.

Some of those people are members of the Oregon Student Lobby and the State Board of Higher Education, both of which met Saturday to address the rising costs of education.

The process of setting tuition levels is a complex one, involving a myriad of state agencies. State system staff develop a budget that recommends tuition levels and is then discussed and approved by the state board.

The budget proposal is submitted to the governor's office which, in turn, submits a state budget to the Legislature.

Meanwhile, the Oregon Education Coordinating Commission (OECC) makes its own education budget recommendations to both the governor's office and the Legislature.

The Legislature appropriates funds to the state system, including the state's "share" of tuition. Prior to the 1977 legislative session, the state allocated funds toward the cost of instruction—various costs tuition is. designed to cover—under a flexible plan.

The OECC recommended implementing a more stringent tuition funding plan, which would pre-determine the students' percentage cost of instruction.

The 1977 Legislature adopted the proposal. Thus, tuition for resident undergraduate students is meant to cover 25 percent of the cost of instruction; resident graduate students, 29 percent and non-resident undergraduate students, 100 percent.

The percentage contribution from non-resident graduates, currently 38 percent, is a "little more undetermined for the next budget," state system Chancellor Roy Lieuallen says.

Lieuallen says the strict percentage formula is unwise.

"It pits students against faculty," he says. Faculty salaries are about 65 percent of the cost of instruction, and an increase in salary means an increase in tuition."

Students shouldn't feel that the faculty is their natural enemy," he adds.

Lieuallen says the new tuition formula makes the jobs of legislators easier because it is objective. It also doesn't require any figuring of what party can afford how much.

"There are two arguments in regards to setting tuition," he says. "Either we have no tuition, because the benefits accrue to all of society, or we have it completely paid for by the student."

"Anything in-between is a pragmatic, fiscal solution."

He says the "direct and firm linkage" now used to determine tuition has no rationale. "Are we saying that the state, or the student, can afford to pay a certain percentage of tuition?"

A more flexible way of determining tuition is fairer to students, he says. "The Legislature ought to figure what can be borne by students."

"We would like for the Legislature to figure what the state will pitch in," he says, adding that the state board's position is that tuition should be a balancing item, not a pre-determined figure.

Lieuallen says he is not very optimistic about a change in the two-year-old policy, saying state system representatives argued strongly against its implementation and lost in 1977.