Paying a price

Recent tuition costs have been decided by budget deficits, not philosophy

By Debbie Howlett
Of the Emerald

Tuition always has been someone's idea of what a student's share in the cost of an education should be.

Some people will say tuition is too high; others find it too low. But how tuition is determined and why it is set at a certain level are not such cut-and-dried philosophical issues.

Part of the money students pay each term — fees — go for purposes other than the direct education of the student.

Analysis

The other part of what a student pays — tuition — is the student's share of the "cost of instruction," an amount of money used to show what it costs to provide a student with an education.

What the students do not cover through tuition comes from other sources, namely the state Legislature's general fund.

Traditionally the student's share of the instruction cost has been kept to a minimum. In 1955 tuition and fees for a University student were $55 a term and a minimal percent of instruction cost.

The amount students pay toward the cost of instruction is determined by a number of factors. One of the biggest factors generally has been the philosophy of the State Board of Higher Education, the legislative body of the state's public colleges and universities.

But in the past few years, the board has had less to say about the student's share and has had to adapt their philosophy to fit with the amount of money appropriated by the Legislature.

Because the Legislature came up short several times in the last biennium, says board president Robert Ingalls, the board had to decide whether to keep programs or raise tuition. So they implemented a $49 "surcharge" and raised the student's share for the cost of instruction to about 35 percent, according to Oregon Education Coordinating Commission figures.

"The only reason for high tuition is to keep programs," Ingalls says.

"The state board hoped to keep (the student's share of the cost of instruction) at 25 percent, says Ed Harms, a board member and past president. "It's at 31 (percent) now and the board is not pleased with that . . . hopefully it's better for students than not having a place to go."

The percentages — 25, 31, 35 — are what nearly every official in higher education will call "arbitrary." The only philosophy involved, most will say, is that students should either pay everything or pay nothing.

"Setting a percentage can not be based on theory, unless it's 0 or 100," says Roy Lieuallen, former chancellor and currently an adviser to the Western Interstate Commission for Higher Education.

"Anytime you move between those points it is arbitrary," Lieuallen says, "You can't quantify in between.."

And if most other higher education officials agree that a percent is merely an arbitrary choice, most can't pinpoint a figure that, however arbitrary, would be perceived as fair by everybody.

The general argument of whether tuition should be low or high revolves around the "chief beneficiary," idea. That idea basically argues who is the "chief beneficiary" — the student or the society — of the education and who should, as chief beneficiary, pay more of the cost.

Most people agree the student's share should be less than the state's share. But finding the exact mix is difficult.

What the state system's vice-chancellor for administration, Bill Lemman, says he tries to do is submit the student's share as a fraction rather than a percentage so that less of an argument can be made over one or two percentage points and the process will move more quickly.

But whether the percent, translated into a fraction, is one-quarter as it has been in the past or one-third as it is now, makes a susbstantial difference.

"The general trend line, of course, has been up," Lieuallen says.

"It was estimated at 23 percent for a while. As money became more scarce, it went up to 30 percent or more," Lieuallen says.

And it appears as though the "general trend line" will keep increasing.

The percentage increase, from 23- to about-35-percent, has happened in less than a decade.

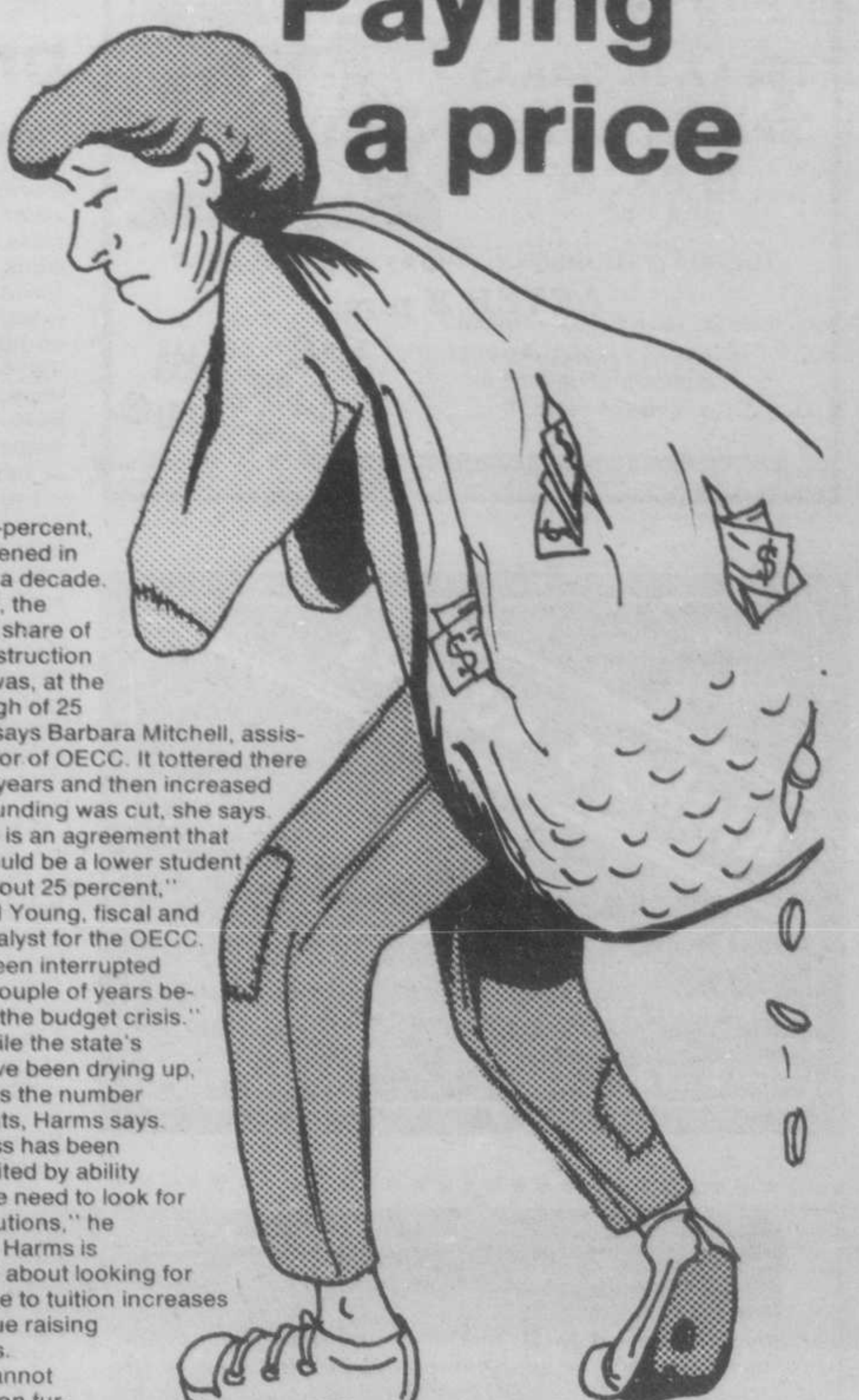
In 1977, the student's share of cost of instruction hit what was, at the time, a high of 25 percent, says Barbara Mitchell, assistant director of OECC. It tottered there for a few years and then increased as state funding was cut, she says.

"There is an agreement that there should be a lower student share, about 25 percent," says Daid Young, fiscal and policy analyst for the OECC. "It has been interrupted the last couple of years because of the budget crisis."

But while the state's funds have been drying up, so too has the number of students, Harms says.

"Access has been partly limited by ability to pay, we need to look for other solutions," he says. But Harms is emphatic about looking for alternative to tuition increases as revenue raising measures.

"We cannot raise tuition further. Period.



Graphic by Betsy Charlton

Oregon's higher ed funding doesn't match-up

The budget crisis that has plagued Oregon's public colleges and universities for the past two years is showing up in national data and surveys.

According to survey results published in the Chronicle of Higher Education, Oregon's general fund support for higher education fell by $10 million, or 4 percent for 1982-83 — compared with an average 16-percent increase nationwide.

South Dakota was the only other state to report a decline — .04 percent — for the same time period.

The survey, which was conducted by M.M. Chambers, a professor at Illinois State University, also found Oregon low by comparison in the amount of personal income spent on higher education. Oregon is in the bottom third of the nation in that category.

"I'm not suprised," said Bud Davis, state system chancellor. "Being last is like being the worst football team. The Legislature has got to determine which league it wants to play in."

EWEB increase due to BPA price jump

By David Brown
Of the Emerald

This is the first of a two-part look at the Eugene Water and Electric Board and their current rate trends.

EWEB customers will soon be getting a little something in the mail from the company — a 16 percent rate increase for the energy burned as of Oct. 1.

EWEB mails the first bills charging its new rate today.

Before Oct. 1, most Eugene residents paid 48.5 cents per month to burn a 60-watt porch light for 12 hours each night of the month. As of Oct. 1, the cost increased to 56.5 cents for a standard 60-watt bulb.

That increase reflects a rate hike in wholesale electricity bought by the Eugene utility from the Bonneville Power Administration, a federal generating facility, says Dick Helgeson, EWEB energy analyst.

Paying for power

EWEB, formed in in 1911, began buying power from BPA in 1940 when it no longer could generate enough power to meet demand.

The utility still generates as much as 30 percent of its own power through its hydro-electric plants, which help keep the utility's cost of power down, Helgeson says.

The average EWEB residential customer who paid $36.09 per month for electricity in 1981 will now pay $5.78 more, or about $41.87 per month.

The residential class represents the lowest percent increase in EWEB retail rates. Therefore, those residents who already pay most in service costs pay the least of the increase.

Single family residents, for example, pay fixed rates for monthly meter readings and distribution equipment but consume relatively small amounts of energy. High-voltage consumers provide their own distribution equipment, eliminating EWEB's maintenance charges, Helgeson says.

Rates have increased by 17 percent for the General Service class — public buildings, schools, churches, multi-family housing, hospitals and irrigation operations.

Rates increased by 27.5 percent for the High Voltage Power class — industries and businesses contracting for a minimum amount of electricity and supplying their own transformer and distribution equipment and by 30.5 percent for the Customer-owned Street Lighting class.

The new rates are tailored to allow the customer the option to conserve by keeping the fixed monthly service charge low.

Although the rate includes a residential service charge increase from a $4.50 to $5, that charge still equals less than one half the actual cost of service maintenance, according to EWEB figures.

"To put more weight on the (service) charge would remove much of the customer's incentive to use the (electricity) more efficiently because the customer's efforts would not be nearly as apparent in the form of a reduced bill," reads an EWEB staff report.

The new rates represent the third wholesale cost increase from Bonneville in four years.

Previous Bonneville increases were 100 percent on Dec. 20, 1979, and 67 percent on July 1, 1981, according to EWEB figures.

EWEB's last two increases "resulted primarily from substantially increased BPA power costs," an EWEB staff report reads. The utility's residential rates increased by roughly 150 percent between 1971 and 1981.

During the same period, EWEB's operating costs increased by 224 percent. The only "markedly" disproportionate increases in the utility's operating costs have been the purchase of wholesale power, depreciation of capital assets,

Continued on Page 10