

OUT-OF-STATE TUITION

We face a major money concern

UNC-Chapel Hill is a university dedicated to the education of the people of North Carolina. As such, financial priority must always be given to North Carolinians.

Students from other areas of the world come to this institution with that understanding, and they should be accepting of tuition increases that are reasonably higher than the increases for North Carolinians.

Most students, resident and nonresident alike, would agree that the current tuition proposal is not entirely reasonable. When the state asks nonresidents to chip in an additional \$950 while residents will see no change, we send the message that we have no concern for the affairs of our guests. Once a state known for our Southern hospitality, we are in danger of irreparably damaging our reputation.

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PRESIDENT-ELECT, GPSF

The situation gets more complicated when we consider the affairs of our graduate students.

Many of our graduate and professional schools are not held to the 18 percent enrollment cap that is in place for undergraduates. In fact, 36.5 percent of graduate students hail from elsewhere on the globe. As a result, any increase in out-of-state tuition is also largely biased against graduate students.

To be fair, many graduate students receive tuition remission — monies that pay for the difference between in-state and out-of-state tuition.

But the money has to come from somewhere, and this recent series of tuition increases will demand a gargantuan increase in those funds. If we don't see a matching increase, then fewer remission spots will be available for next year's graduate class.

Graduate students, on average, accumulate twice as much debt as undergraduates during their time at UNC. For professional students it can average up to five times as much. There is no question that any change in nonresident tuition will have consequences on the quality of our graduate students.

In the meantime, departments that offer research assistantships will also suffer the consequences.

These assistantships, which often include tuition waivers, are drawn largely from research grants brought in by students and faculty.

Increasing tuition will necessarily be a drain on that money, meaning less funding will be available for the research itself. In other words, faculty will be receiving increased salaries at the expense of research funding.

On the surface this may not seem like a big issue. After all, these grants have weathered tuition increases before and emerged relatively unscathed.

However, when faculty salaries are boosted in a manner that is noticeably biased against the students that are carrying out their work, it makes one wonder if there is any real benefit.

The main goal of these tuition increases is to increase the quality of our education, through increased faculty salaries and teaching assistant stipends.

This is a crucial issue for Carolina. Nobody wants to see our beloved institution fall behind our peers, and we are getting dangerously close to that precipice.

But to ask a small percentage of our students — and a large percentage of our graduate students — to bear such a large part of this burden is just not right.

It's egregious in the context of the similarly hefty nonresident tuition hikes of recent years.

Nonresidents should not be reaping the benefits of our taxpayers' dollars, but neither should they be subsidizing our education.

As a North Carolina resident I am disappointed in the way our guests have been treated, and I can only hope the General Assembly feels similarly.

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IN-STATE STUDENTS OPINE ON A POSSIBLE INCREASE

Watching tuition rise has become something of an annual ritual at UNC-Chapel Hill, but it's only since last year that out-of-state students have faced a new "market-based" philosophy that puts a disproportionate burden on them.

During last January's UNC-CH Board of Trustees meeting, members decided to set as a target the 75th percentile of out-of-state tuition at our peer institutions.

True to form, the University's leaders passed major tuition increases that placed a major additional burden on the backs of students that year, and it doesn't look as though they're going to slow down any time soon.

This year, the UNC-system's Board of Governors has turned down requests from UNC-CH and other campuses for in-state tuition increases.

But the board hasn't addressed out-of-state tuition yet.

What do North Carolina residents think about major out-of-state increases for their peers? Do they buy the

arguments about out-of-state students contributing to the value of their degree? Or does the state's legal obligation to in-state students outweigh those marginal benefits?

If the state's legislators aren't worried about educating someone else's children, they should at least be concerned about how their own feel about the future of education in the state — after all, there will be an impact.

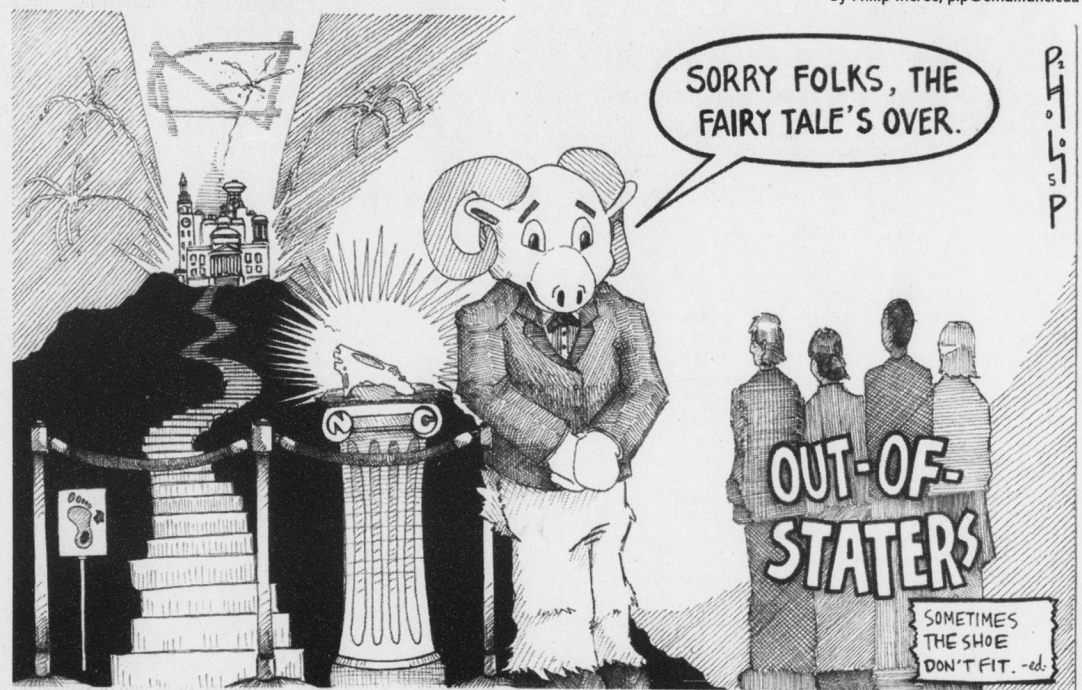
A tuition elasticity study conducted by the Art & Science Group LLC showed that there's still room for the University to raise both in-state and out-of-state tuition before severely damaging its applicant pool, but the report left many questions about diverse student populations unanswered.

In-state students would best know what value out-of-staters add to their educations. Here are some of their opinions.

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VIEWPOINTS CARTOON



Funding should come primarily from the state

The UNC-system's Board of Governors' decision not to pass tuition increases for in-state students was a big victory for those who believe higher education should remain affordable and who think the drastic tuition increases of the last few years need to stop.

While the BOG's decision on in-state tuition was a step in the right direction, it left a large issue hanging out there unaddressed: the future of tuition for out-of-state students.

Raising tuition on out-of-state students is an easy cop-out for addressing a growing problem in North Carolina's universities.

Keeping pace with peer institutions requires greater funding for the 16 UNC-system campuses. One needs only look at the retention rate for professors or teaching assistant stipends.

While political pressure keeps in-state tuition increases in check to some extent, there is no such coverage for out-of-state students. They are a politically viable means of getting more money because out-of-state students aren't a very important constituency.

But given that out-of-state students now are paying more than the cost of their education — by about \$677 — they are paying their share and then some.

Out-of-state students pay for themselves and subsidize their in-state peers. Their average grade point averages and SAT scores indicate that they certainly have earned their place here. But those details are secondary to the intangible contributions they bring to the University.

Although some might consider the phrase a cliché, UNC's "marketplace of ideas" is augmented by the perspectives of our colleagues who are not from North Carolina.

Students from across the Union — from Maryland to Ohio to California — bring diversity of thoughts and inspi-

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rations to our campuses. Perspectives from outside of our state and region enrich the educations of those in North Carolina. As great as the state is, the variety of experiences and backgrounds here is not the sum of all possibilities.

There is an abstract but valuable component of living, learning and having common experiences with people who have a different point of view from your own.

The real problem is that in a competitive world, higher education is becoming more expensive and the costs of having elite institutions such as UNC are rising rapidly.

The last few years have seen the burdens of paying for college shift onto the students, in-state or out-of-state.

The N.C. General Assembly will have the final call, but our state representatives would be wise to stop putting the burden on students and to commit financially — not just rhetorically — to the future of North Carolina by leaving tuition alone and stepping up the state's contribution to the UNC system.

Students, regardless of residency, aren't freeloaders, and education isn't trivial spending.

The students in the UNC system are the future of North Carolina — they are the ones who will keep this state strong in the face of change. We, as a state, need to commit to funding our institutions of higher education so that they can stay among the best in the United States.

Milking out-of-state students is not part of making that commitment. They are our colleagues and members of our communities and contribute a great deal. They are not cash cows to be pillaged by a stingy General Assembly.

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Nonresidents would benefit from fixed plan

According to our first state constitution, the University of North Carolina was established to provide quality education for North Carolina students at an affordable price.

UNC Chapel Hill is one of the best deals in the country, and we pride ourselves on the excellent education we provide. As a state university, UNC must keep in-state students satisfied.

However, we should not compromise out-of-state students' sense of worth in doing so. Out-of-state students add so much to our university and our state — in fact, they provide a disproportionate amount of student leadership.

While it's reasonable for out-of-state tuition to be higher than in-state tuition, we should do what we can to welcome our out-of-staters with open arms.

If I were an out-of-state student, seeing my tuition hiked \$950 while in-state tuition is frozen would make me feel unwelcome. I strongly believe that once someone has committed to being a student here, we should not separate them out again and tell them that just because they're not from North Carolina, their tuition will increase significantly every year. It's an honor to attend UNC, but even still, students should be able to make informed decisions with their families about attending our school.

No student should have to deal with unanticipated tuition hikes.

I think we should take a hard look at the University of Illinois system. With the Illinois plan, students would know what their tuition will be for the next four years. Students would enter a contract with the University, and a fixed tuition price would be established for the entering class. Anticipated tuition increases would be factored in, and that class would pay the same price for four years.

The chancellor's concern with

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this plan is the lack of predictability of state funding.

He does not want sophomores paying one price and seniors paying another, especially if they're sitting in the same class.

While I understand this dilemma, out-of-state students sit beside people every day who pay different tuition prices than they do, so this would not be a big problem for them.

By introducing this program with out-of-state students first, we will be able to eliminate their main problem: unexpected tuition increases. Sure, it may be a challenge to balance the budget for the first couple of years, but after the initial change, the University should not even notice a difference in the money received from tuition.

N.C. politics help keep in-state-tuition reasonable, yet there is no real consequence to raising out-of-state tuition — until we start losing our excellent out-of-state students.

The price elasticity study shows us that we are still "safe" in raising tuition, compared to our peer universities.

But I believe that we are creeping too close to that "safe" line. There are already many disgruntled out-of-state students, and we certainly do not want to lose them — or future applicants.

UNC needs to be up front about what it costs to go here. With this information, potential Tar Heels can evaluate their financial situation and make an educated decision without fear of annual tuition increases.

Carolina is an extremely appealing school, so we can afford to fix tuition and factor in anticipated increases for the sake of consistency and to help eliminate our tuition troubles.

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Debate misses issue of funding

Part of the current tuition debate has arisen due to the conflicting interests of in-state and out-of-state students. The former call for the raising of the latter's tuition, while the latter desire equal treatment.

Within the parameters of this discussion, in-state students have a stronger argument.

The N.C. Constitution states, "The General Assembly shall provide that the benefits of the University ... as far as practicable, be extended to the people of the State free of expense."

This constitutional provision is one reason why North Carolina has one of the highest per capita spending rates on higher education in the country. This year, the state will spend approximately \$1.9 billion on the 16 UNC system schools.

In-state students recognize that not only should North

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Carolina's tax dollars support North Carolinians but also the constitution requires it.

Thus, if further University funding is needed, out-of-state students should have their tuition raised first.

Out-of-state students, however, believe that they bring an element of diversity to the University that enhances the intellectual climate.

It is also believed that educating out-of-state students will help the economy of North Carolina by enlarging the state's pool of skilled labor. Thus, nonresidents should not have tuition raised faster than in-state students.

Unfortunately for out-of-state students, the element of diversity that they bring to the campus does not outweigh the fact that taxes should first help those who pay them. Secondly, there is no proof that students educated in the state will stay. North Carolina is part of a global free market. Companies inside and outside the state will vie for talented UNC graduates, and these graduates will go wherever opportunity lies.

Nonetheless, in-state students only win the debate if one presupposes two things — the University needs more funding and taxes should be one of the primary sources of that funding.

Both are arguably false. The source of universities' insatiable appetite for funds lies in the nature of bureaucracy.

A university is not governed by the same rules that affect businesses. Businesses try to keep overhead costs down, and when a department within a business does not use its entire budget, the remaining funds are reinvested into the company.

However, in a university, there is no profit motive. Therefore, there is no incentive to keep overhead costs down. When a department has excess funds, it finds something to spend the money on. It is rarely "reinvested."

The second presupposition is also arguable. The median salary of a family with a student at UNC is about \$98,628. Why should North Carolina taxpayers, whose median annual income is about \$61,294, pay for the education of upper middle-class students?

The University of Virginia, whose budget is comparable to that of UNC, does not think that they should. During the 2003-04 school year, UVa. received 8 percent of its operating budget from the state, whereas UNC received about 25 percent. And this year, the Virginia legislature is considering granting UVa. more autonomy in funding and administrative matters. Is UNC that different from UVa.? Probably not.

The current debate over tuition increases at UNC, in which in-state students clearly have the upper hand, needs to end. Lawmakers and administrators need to widen the scope of the discussion over higher education and reexamine the path the UNC system is taking.

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