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## PEOPLE

# The Case for Saying No to Tuition Increases



James V. Koch

By Peter Monaghan | JULY 14, 2019

✓ PREMIUM

**J**ames V. Koch is quite certain that no one should become a trustee at a public university, entrusted with making higher education accessible to a state's students, without a thorough grounding in education economics.

Trustees "need education and training before they should be allowed to serve," he writes in *The Impoverishment of the American College Student* (Brookings Institution Press, 2019).

The book could serve as a primer for trustees. Koch, president emeritus of Old Dominion University, which he led from 1990 to 2001 after four years at the helm of the University of Montana, dices every which way the causes of the cruel rise in tuition charges and other costs of college attendance.

By phone from Montana, where he spends summers, he said that "the ladders of opportunity that traditionally have been present in American higher education no longer are there."

He asked: At a time when young Americans are burdened by student-loan indebtedness of \$1.4 trillion, how many hours would a typical private-sector American worker — "Joe Lunchbucket," in his words — have to work to pay the annual tuition and fees at a four-year public college? He sounded pained as he answered his own question: "In 2000 it was 250, and in 2016 it was 447, almost double.

"And that augurs badly for American society," he said.

Koch is now a professor of economics emeritus at Old Dominion. Since 2002, when he returned to teaching, he has advised some 50 boards of trustees about college governance. Debates over tuition costs, he said, too often ignore economic complexities. He reviews many of those complexities before reaching a provocative bottom line: Institutions could better control tuition costs "if they wanted to."

State funding cuts? "Those are part of the story, but they're responsible for only perhaps half of the tuition increases we've seen."

What else causes them? Many things, he said, among them institutions' quest for rankings, the resistance of many of them to adopt technological innovations that increase productivity. "It really is complex," he says.

It is troubling, he writes, that "one of the pillars of our national approach to making college affordable may be shaky and even counterproductive." He cites the "once heretical" suggestion by William J. Bennett in 1987, as secretary of education under President Ronald Reagan, that generous federal financial aid edges tuition prices up. "Basic supply-and-demand analysis" Koch argues, demonstrate that that would be so.

Where he faults many institutions, he says, is in their not using the tuition charges they collect to admit additional less-affluent students. He contends that colleges balk at the prospect of lower rankings, reduced average test scores, and greater expense, in hesitating to enroll those students on their campuses.

Is there hope? To answer that, he returns to the subject of trustees, saying that the most effective change may be to demand more of them. Typically, he says, trustees ask presidents to bring in more research dollars, build buildings, raise funds from donors, and achieve higher rankings — costing them all the money they collect, whether from states, the federal government, or tuition increases levied even in years when the governmental flow isn't reduced.

Given that some colleges hold down tuition and admit more students on Pell Grants — California's public colleges, for instance — Koch asks why prestige-oriented public institutions elsewhere can't do the same. Why must they have low percentages of such

students? "Institutions, it seems to me, can make choices about how they want to go about things," he says.

If governors did better at selecting trustees, and gave them better guidance, the trustees would better fulfill "their primary responsibility, which is to the citizenry, and taxpayers, and students, rather than to the institution and its president," he says.

Koch's consulting for boards has shown him that "board members oftentimes have become cheerleaders for the institution," whether they are considering a president's new pet project or tuition increases.

When it comes to the latter, in particular, he says, "generally there are unanimous votes, and there are seldom any negative votes."

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