

Illinois higher education under stress

By Jim Nowlan

Behind the ivied walls and serene, manicured campuses, Illinois higher education is today under significant stress. State funding for colleges and universities in Illinois is lower than it was a decade ago, and parents are resisting tuition and fee charges that have increased sharply.

And now free (or very low cost) courses are being offered to the masses on-line from professors at elite universities.

Our public and private universities are scrambling to see if new business models are needed to avoid the threat of closures down the road.

Illinois colleges and universities enrolled 834,000 students this past year. For every student, there are a couple of parents as well as grandparents worrying about how to pay for college educations with annual sticker prices that range from about \$10,000 at community colleges to as much as \$50,000 at private colleges.

Thus, with several million of our state's 13 million residents so worried, how can families navigate the maze of financial aid programs and how can the fittest of our colleges survive?

Ann Brill is director of financial aid at Knox College in Galesburg, where the sticker price for that fine school is \$47,352 but actual average out-of-pocket cost to most families is about half that. Ann admonishes that parents need to be willing to invest something in their children's education. There are few true free rides out there.

Second, plan and save early in a child's life. If that is difficult, appreciate that there are many need-based and merit-based financial aid programs out there. For example, for low-income

families, the maximum federal Pell grant is more than \$5,600 and the maximum state of Illinois monetary assistance program (MAP) grant is \$4,720. In addition, private colleges offer scholarships from their own resources. And there are multitudinous, generally small scholarships offered by high schools and service clubs.

Unfortunately, the Illinois MAP grant program has eroded badly over the years. At one time, Illinois had about the richest aid program among the states, with the maximum MAP grant for a student who showed need covering all tuition and fees at a public university.

At present, the maximum MAP grant covers only about one-third of that tuition and students must apply early (beginning January 1 each year), as only one-half of the eligible students are awarded grants, on a first-come, first-served basis.

And don't be turned off by the sticker price. If your youngster has his heart set on a private college, investigate closely. Often, a private college will try to put together a financial aid package of grants, scholarships and loans that make the out-of-pocket cost no more than the cost of going to the University of Illinois.

Ironically, private colleges can put together financial aid packages more easily for youngsters from low-income families than from middle and upper income parents. This is because the low-income families are eligible for the maximum federal and state grants.

As a result, parents with children at most private colleges in Illinois have lower average incomes than parents with kids at the University of Illinois.

So parents need to develop strategies about paying for college years before a student becomes a junior or senior in high school. Talk to your high school's guidance counselor and with college financial aid offices.

And the colleges and universities need to trim costs, ideally without giving up their own distinctive experiences. Some universities are offering their third year on community college campuses, to provide another year of lost-cost living at home. Greater use is being made of adjunct (part-time) faculty who are paid slave wages and no benefits.

Some institutions will integrate the “massive online open courses” (MOOCs) into their curricula, reducing the size of the core faculty.

Governments can make some changes too.

At present, the universal federal aid application form (called FAFSA) penalizes parents who have scrimped and saved for their children’s educations. The form considers the savings as assets, whereas those with similar incomes who have not saved are thus needier and receive more aid from governments and colleges.

Savers should not be penalized.

The \$1.6 billion or so that Illinois state government now sends each year to public universities should instead be divvied up into vouchers for each Illinois college student, with every student receiving a voucher, but scaled to need.

We would then have a true marketplace of 200 colleges and universities that would compete on the basis of net cost and value.

Higher education in Illinois and nationally is under stress and will undergo much change in the years to come. Parents are well advised to start thinking early about how to take best advantage of the opportunities that may be provided.