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OUTLO

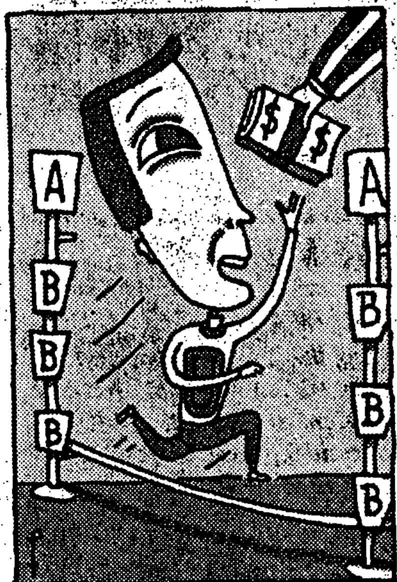
Commentary and Opi

Clinton's College Plan: Educational Inflation

By Virginia I. Postrel

Bill Clinton wants to make two years of community college an entitlement and offer a tax deduction for tuition. He demands a "new nonpartisan commitment to education" and declares that "education is a critical national security issue for our future, and politics must stop at the schoolhouse door." That declaration is, of course, backed by piles of polls showing that education handouts are popular among voters in general and women in particular. And it's tied to programs designed to make educational entitlements as much a part of middle-class life as Social Security or the home mortgage deduction.

In a seemingly unguarded moment, Assistant Secretary of Education David Longanecker blurted out the policy's true goal: bribing Generation X and its successors to back big government. "We want to make a very strong statement," Longanecker said after Clinton's State of the Union address, "that it is worth it to



BY PAUL FISCH FOR THE WASHINGTON POST

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Maybe politics should stop at the schoolhouse door, but intelligent analysis shouldn't. Clinton's higher-education policies are harebrained

See COLLEGE, C5, Col. 1

Virginia Postrel is the editor of Reason magazine, a current-affairs monthly based in Los Angeles.

Mergers 'R Us

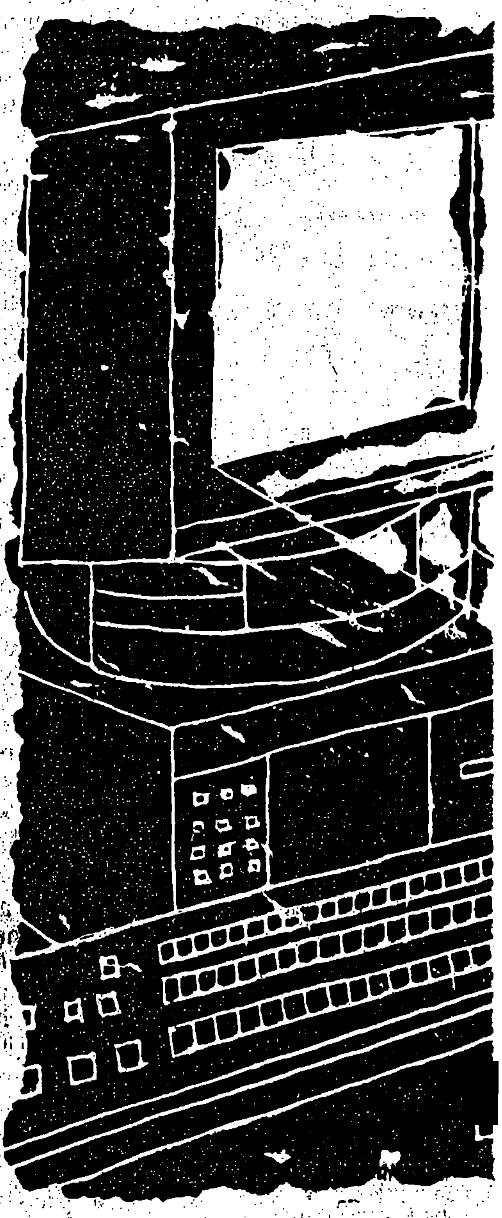
Has Antitrust Gone the Way of the 5 & 10?

By Eleanor M. Fox

"Antitrust" conjures up heroic images from the past when big was

communities with which they have little or no relationship."

"A nation of clerks," Douglas said, "is anathema to the American antitrust dream." Today, giant mergers



Shouting F

At the Supreme Cour

By John Schwartz

The folks who aim to restrict sexual material in cyberspace make the Internet sound like one giant red

The Washington Post

OUTLOOK

Commentary and Opinion

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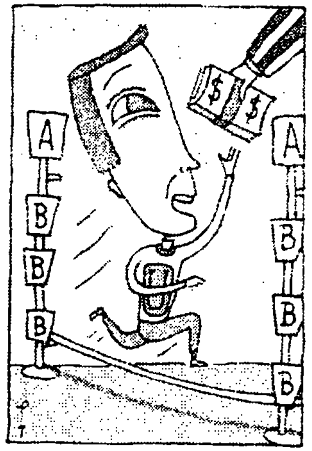

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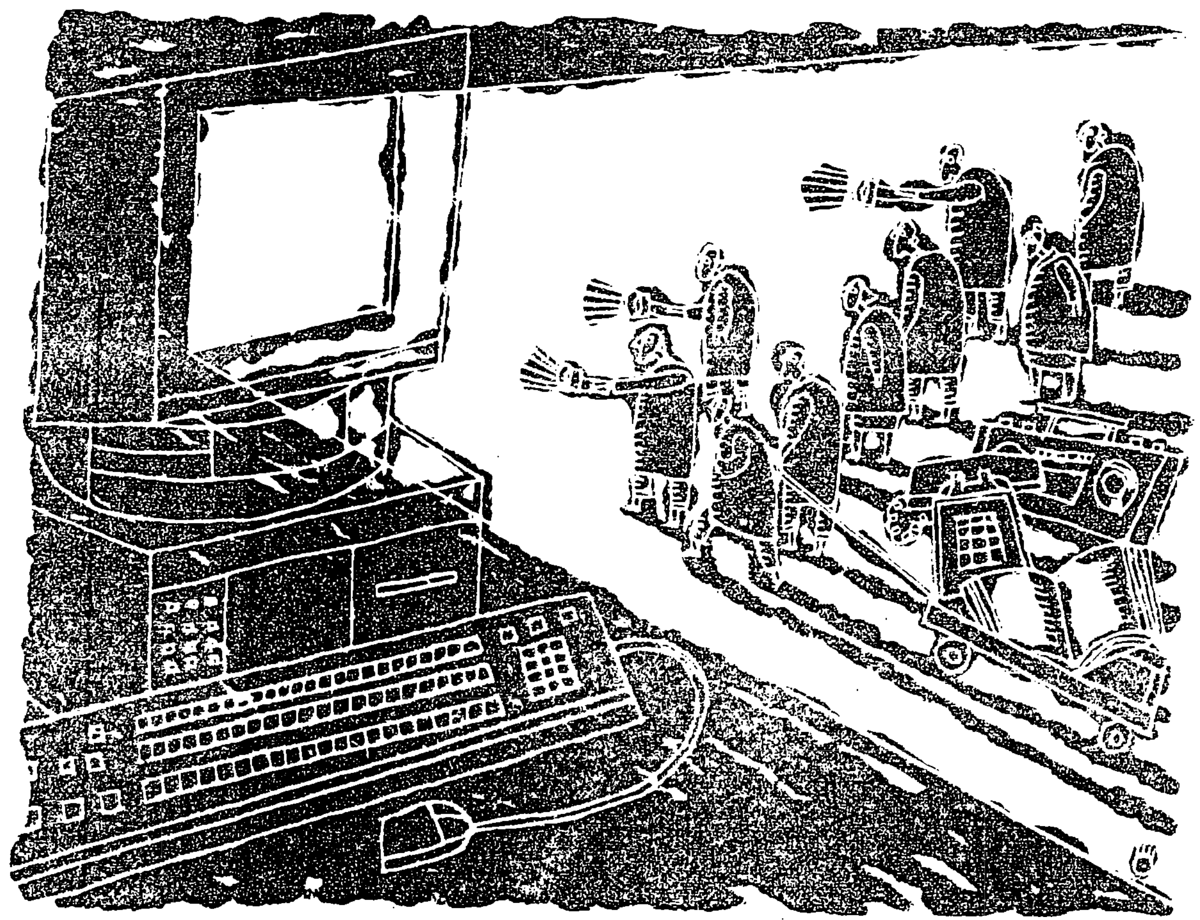


BY VINCENT X. KIRSCH FOR THE WASHINGTON POST

Mergers 'R Us

Shouting Porn! on a Crowded Net

Fails the Test of Logic

COLLEGE, From C1

and irresponsible, obviously concocted by people who care more about poll results than about what they might be doing to the nation's colleges or their students. They ignore the basic, well-understood dynamics of higher-education finance and indicate no knowledge of how colleges work or what challenges they face today.

The biggest such challenge is keeping the cost of college under control. Clinton's plan threatens to reverse what progress has been made in this area. College tuitions rose rapidly in the 1980s—2.7 percent annually for state schools and 3.9 percent for private schools, after accounting for inflation and expanded financial aid. That increase had many causes, but the most important was simple supply and demand: Supply was essentially fixed, and demand was rising. Students were willing to pay, for good reason. In crass financial terms, a college degree is an excellent investment, with an average return of around 19 percent a year after inflation.

"In almost any other unregulated market, an increase in demand against a fixed supply is sure to push up the equilibrium price," writes economist Charles Clotfelter in "Buying the Best," a 1996 study of higher-education finances that focuses on four elite schools. "It is a distinctive feature of the market for higher eduction, however, that the supplying firms made it a practice not to charge what the market might bear, choosing instead to ration demand by electing

Clinton is trying to buy college students' love—and that of their parents.

talented and diverse student bodies who would best fit their institutional objectives. At the same time, however, the trustees and administrators of these favored institutions could not fail to observe that their admissions offices were being besieged by eager applicants, and that an unusually large tuition increase would not cool the ardor of prospective students." At all but a few elite and well-endowed schools, prices were what the market would bear—and it could bear a lot.

But families paying full freight have started to balk at the price discrimination that charges them high prices and subsidizes scholarship students. Those shocking list prices can be misleading: A University of Chicago official notes that the typical student there pays only about half of that private school's approximately $22,000 list price. But family income is at least comparable at the publicly-funded University of Illinois, where tuition is under $3,000 a year. Families that make too much to qualify for financial aid find it hard to justify full fare at a private college.

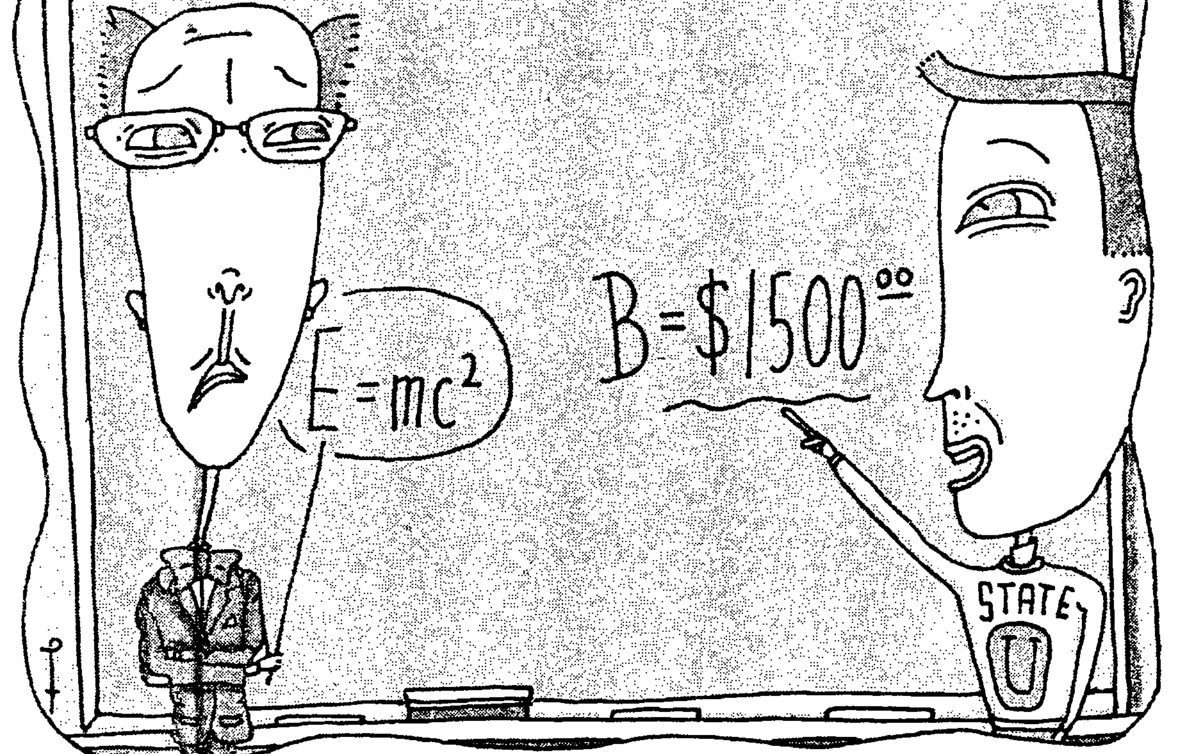
And not every expensive private school offers a world-class, Chicago-style education. These pricey but run-of-the-mill colleges are feeling competitive pressures. Susan Lee and Daniel Roth of Forbes have documented how numerous private colleges have cut their tuition in order to compete with nearby state schools. Most are small, non-elite regional schools such as North Carolina Wesleyan, which slashed tuition by 23 percent. And some more selective colleges are getting price-conscious: Rice University is limiting increases to inflation, while Lehigh University is aiming for that goal. Even Bennington College, long the most expensive school in the country, has frozen its tuition.

So tuition increases are finally decelerating. "Although there is no evidence that the university is losing a significant number of students because of the cost of a Princeton education . . . large tuition increases in the face of the growing public concern about the overall cost of higher education would be contrary to the long term interests of the university," declared that school's budget-setting Priorities Committee, recommending a 4.9 percent increase in tuition and fees for 1996-97—not exactly modest, but the smallest jump in two decades.

Into this evolving situation blusters Bill Clinton, trying to buy students' love—and that of their parents. His plan is twofold: First, he calls for making "the 13th and 14th years of education—at least two years of college—just as universal in America by the 21st century as a high school education is today." To do so, he would provide a $1,500-a-year tax credit for tuition, as long as the student maintains a B average. Second, he proposes a $10,000 tax deduction for any post-high-school tuition.

Unfortunately, the effect of both plans would be to push up tuition. As David Henderson notes in Fortune, the average tuition at community colleges was only $1,114 in 1994. Clinton's dollar-for-dollar tuition credit "would make college students paying less than $1,500 in tuition unconcerned about increases" because the federal government, not the student's family, would be footing the bill. In other words, the average community college tuition could rise to $2,614 before the effective cost rose at all. Pressures to keep costs down would be severely reduced. Those painless price hikes would not only give schools an incentive to increase overhead but make the tax credit all but impossible to remove, lest large numbers of people be priced out of the market.

The tax deduction is almost as bad. It lowers the cost of tuition by the tax rate—say, 28 percent—so that the first $10,000 of tuition actually costs only $7,200. That means those schools can go right back to jacking up tuitions. They'll still feel competitive pressure, but only after they've raised their prices to the post-bribe equivalent of today's levels. Again, the critical fact is that the supply of higher education is more or less fixed. Increasing demand simply drives up prices.



By Paul Fisch for The Washington Post

But what's truly worrisome about Clinton's education plan is his belief that two years of college should be a universal entitlement—as common as high school and just as meaningless. Already, community colleges give too many students the education they should have gotten earlier.

By requiring a modest entry fee and maintaining the special aura of higher education, community colleges have been able to screen out the people who don't want to be in school. Many will accept anyone with a high school diploma or its equivalent; selection is based not on the student's academic record but on his or her willingness to work. As a result, students actually have a chance to learn. Their teachers do not have to worry about maintaining basic discipline or giving assignments no one will complete. Making community colleges an extension of high school would destroy their role as places that let low-income or average students enter the world of serious education.

But conditioning tax credits on a B average would go even further: It would encourage grade inflation in all freshman and sophomore classes—and not just at community colleges. Over time, grades below a B would disappear. All colleges would have a strong economic motive to keep grades up.

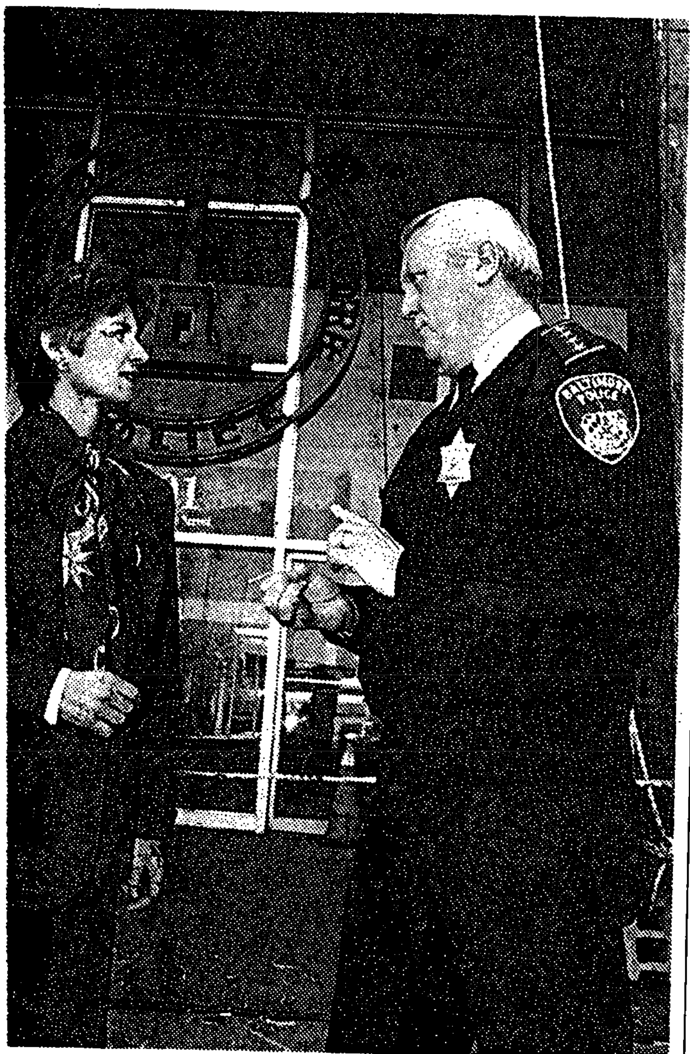
In fact, Clinton's plan for tuition breaks could push grades up even without the requirement to maintain a specific GPA. Why? Because there appears to be a connection between rising tuitions and rising grades. Although less selective, less expensive public institutions still try to weed students out, grade inflation has become a major problem at elite universities with high tuitions. By allowing colleges to more easily raise tuition, the Clinton plan could spread this phenomenon from relatively exclusive private schools into universities in general.

It's well known that in the Vietnam era, professors who feared casting students out into the draft boosted grades. Less heralded, however, is the enormous jump elite-college grades have taken since the mid-'80s, the very period during which both the cost and the value of a college degree have escalated rapidly. During my years at Princeton, from 1978 to 1982, about 30 percent of grades were A's of various sorts, a level the school had maintained since a huge jump in the early '70s. Today, that figure stands at 45 percent. The pattern is repeated at similar schools.

No one knows exactly what happened to push grades up. Princeton Registrar Anthony Broh attributes the jump to pressure from students competing for graduate and professional school slots. But students at the beginning of their college careers are also more likely to be accustomed to pumped-up grades, since the mid-'80s, the high school grades of college freshmen have skyrocketed, although more students are going to college. It's not surprising that they expect—and sometimes demand—to do equally well in college, especially at expensive schools. As tuitions go up, students expect "more" for their money. Since most students are not budding intellectuals but pragmatic pre-professionals, "more" means a handsome transcript. If you are paying $25,000 a year, you do not expect to be handed bad grades.

But there are signs that these private universities are worried about meaningless grades. Stanford, famous even in my college years as the school with no B's, has restored the F. Dartmouth has begun reporting not just grades but the course median. Princeton is considering a similar approach.

And so Clinton's tax credits for B's and education-as-an-entitlement philosophy can only do harm. Increasing the demand for higher education and pushing up the price will only heighten students' sense that they deserve high grades just for getting into an expensive, elite school. In fact, Clinton promises to spread that baleful attitude down to the lowliest community college, until every student in America feels he or she deserves a diploma and an A-studded transcript just for showing up. That is hardly the way "to prepare our people for the bold new world of the 21st century." We can only hope that the professor-filled GOP leadership will develop the backbone to say so.



Marty Katz for The New York Times

Kathleen Kennedy Townsend of Maryland and Baltimore's
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State officials say they have already received 500 requests for applications.

One came from Darren Zeck, a 1996 graduate of Ohio Wesleyan University and a psychology and accounting major who had wanted to become an agent of the Federal Bureau of Investigation. Mr. Zeck said he had learned about the Police Corps last year while visiting a friend in Owings Mills, Md., a Baltimore suburb. He said that after the F.B.I. had told him the agency preferred candidates with several years of law-enforcement experience, he had decided that the Baltimore program might be the ideal conduit.

Clinton's College-Aid Plan Faces Doubt From Experts

Debate Over Who Would Receive Tax Relief

By PETER APPLEBOME

ATLANTA, March 29 — Audrey Dismuke of Albany, Ga., says a state Hope Scholarship saved her life.

"I would not have been able to go to school without it," said Mrs. Dismuke, a 31-year-old mother of three, who has used the Georgia scholarship program to study to become an X-ray technician at Albany Technical Institute. "It saved my life, and it saved a lot of other lives."

The Georgia program that Mrs. Dismuke extolled is the inspiration for President Clinton's wide-ranging package of college aid, which promises to expand access to education and offer the hope of economic advancement. But interviews with experts on student aid, and with students like Mrs. Dismuke who have benefited from the Georgia plan, raise serious questions of whether Mr. Clinton's plan would help those who need it the most or would primarily lighten the burden somewhat for those already likely to attend college.

Despite some encouraging findings from Georgia and support from many higher education groups disinclined to criticize a multibillion-dollar increase in aid to education, many experts on the left and right are increasingly skeptical of the President's proposals, particularly those that would give $38 billion in tax relief to families over the next five years. Some also say the President's plan would be difficult to monitor and would be a boon mostly to the college and universities that need it least.

The Administration contends that its plan is balanced and will help both the poor and the middle class. In addition to the tax it would include the largest increase in Pell Grants to low- and moderate-income families in two decades.

"People in today's world who are working hard and making a living, know that when it comes to educat-

"My husband works every minute he can at two jobs, and there are a lot of people like us who need all the help they can get."

But in other ways, the Georgia experience does little to bolster the claims of Mr. Clinton's program.

Mrs. Dismuke of Albany is ecstatic about the Georgia program, which pays for tuition and $100 in books up front. But she was far less enthusiastic about Mr. Clinton's program of a tax credit for families who had already paid for college.

"There's no way I could have come up with $1,500 to begin with, and most people without money aren't going to understand what a tax credit will do for them — they wouldn't even blink an eye at it," she said. "That's for people up on the income scale a little bit. I think he needs to look more at people who are lower down."

And, though it has not become a big political issue in Georgia, the Hope Scholarships here often go to those with the least financial need. Unlike the Federal plan, which is phased out for families with adjusted gross income from $80,000 to $100,000, there is no income limit for recipients. At the University of Georgia, one of the state's elite institutions, 97 percent of entering in-state freshmen have Hope Scholarships.

Jessica McGregor is a 21-year-old junior from suburban Cobb County,

Will the President's plan help those who need financial help the most or those who are better off?

:ademy, which produces new officers each year.

' officers earn an annual alary of $25,400.

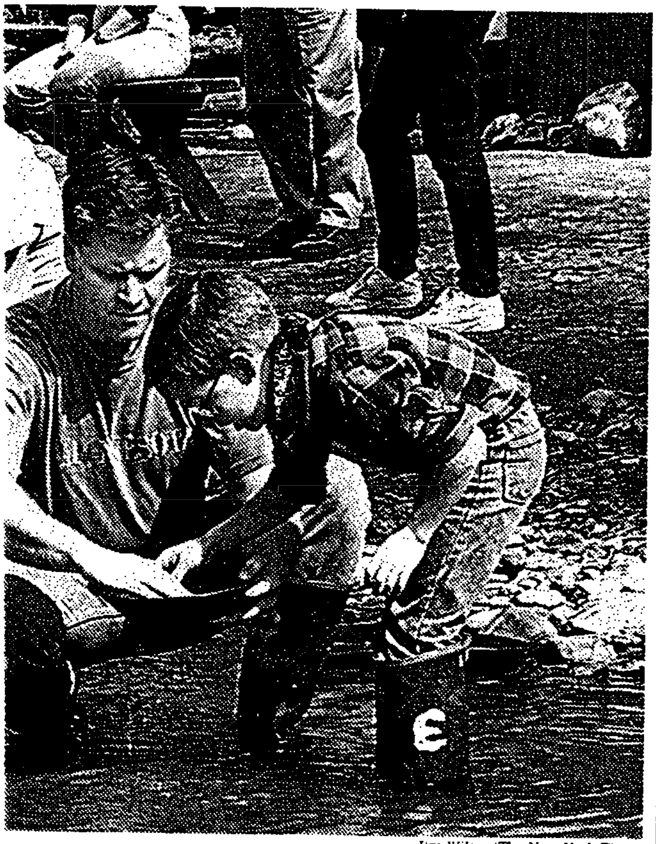
certainty about the new is how well Police Corps will work with new colom the academy. Mr. Frahe did not expect a two-əm to emerge.

Walinsky said the experiworth watching. "We're əarn as we go along," he ɔk, we're going to make They'll be setbacks. Did ə right people? Is the traind as we think it is? That's only starting with 40 and had decided that the Baltimore program might be the ideal conduit.

Mr. Zeck, 23, is scheduled to take written and physical tests next week, and, if he passes, return for psychological tests.

"I'm not getting a lot of support right now from my parents," he said. "They're a little scared about the police stuff. And my girlfriend is a little upset because I'd move to Baltimore. But I'm real interested in the community service aspect of the program, the one-on-one intersection with the community. But whether I stay after four years or not, I'm really looking forward to getting started."

rospectors, If Not Gold



Jim Wilson/The New York Times

ay have uncovered bits of gold in the riverbeds in the Sierra ors like Gary Brohmer and his children, Laura and Luke.

vacuuming up the river l by yard.

s is then filtered through x to separate the gold bble. To reach bedrock, ;old is generally found, must sometimes tunnel through as much as 14 əl.

, he and other miners bundance of flood gold, -timers call "flour gold" ts tiny grains. But what paystreaks, as miners s of gold?

re very, very secretive," :. Shock, 65, the owner of cting Expeditions here. ҝing a fisherman to tell ə's fishing."

hour, Gold Prospecting Expeditions takes tourists out panning on Woods Creek, a 16-mile stream that winds around Jamestown, on trips that can last from 30 minutes to several hours.

The other day, David Herrick of Sonoma swished pans of dirt with a rapt expression on his face while squatting on the bank. He said that according to family lore, his great-grandfather John Ray, one of the original Forty-Niners, returned with six pickle jars filled with gold dust.

Mr. Herrick, a first-time prospector, was not quite as taken with the yield of his own efforts. His guide, Joshua J. Vick, measured it as six yellow flecks worth about $2.

Yet Mr. Herrick said he might return to try his luck again, adding, "I think it might be in my blood."

working hard and making a living, know that when it comes to educating several of their children, they are educationally poor," said Education Secretary Richard W. Riley. "They don't need some expert to tell them that, and they appreciate the fact that the Government is concerned about helping them."

But David W. Breneman, an economist and dean of the education school at the University of Virginia, said of the proposal, "It's good politics but bad economics." He added: "On the economic side, five of us testified before Ways and Means recently and all of us had the same assessment — you don't want to spend money on programs that won't change people's behavior. It's an inefficient way to spend public money."

He said most of the aid would go directly to colleges that would adjust financial aid to reflect the Government investment.

The three main items in Mr. Clinton's proposal are $1,500 yearly tax credits called Hope Scholarships that could be used for two years of college; a tax deduction of up to $10,000 for college expenses, and a $300 increase, to $3,000 from $2,700, for Pell Grants. Students need no particular grade to get the Hope Scholarship but must maintain a B average to keep it for a second year.

Under Georgia's plan, high school students who have a B average gain free tuition at state colleges and universities as long as they keep a B average there. Students can use Hope Scholarships to attend professional programs at technical schools regardless of their high school record.

The money comes from a state lottery that has provided $333 million so far to send 238,500 students to college tuition-free since the program began in 1993.

In Georgia, enrollment has increased about 50 percent at the kind of technical schools that could be fully financed by the $1,500 tax relief Mr. Clinton's Hope Scholarships provide. Typically, they enroll those on the lower end of the economic scale most in need of financial assistance.

"It hits me in the face every day of my life that a very significant number of people are able to go to technical institutions and get training because financing is no longer a burden to them," said Ken Breeden, who supervises that part of the Georgia plan.

Glenn Newsome, executive director of the Georgia Student Finance Commission, which administers the Hope Scholarships, said that Hope has changed the culture of Georgia by putting out a firm message that higher education is open to everyone, and that Mr. Clinton is trying to spread that message nationally.

And those who have benefited from Georgia's program are often supportive of any Federal program, even if on a smaller scale, that would help parents pay for college.

"Clinton's plan is a lot better than nothing," said Amanda White of suburban Atlanta, who has two children attending college at state schools in Georgia under the Hope program.

the most affluent county in Georgia. Her mother is a real estate agent and her father works in property management, and she describes the family as upper middle class.

"I went to a high school where just about everybody goes here," she said. "There was never any question if I'd go to college. And I would have gotten A's whether or not they had the Hope program. But Hope made my decision about where to go."

Finally, the simple message of Georgia's program — study hard in high school and college to get and keep a scholarship — is hopelessly watered down in Mr. Clinton's program, experts say.

"One of the biggest differences between the programs is that high school students in Georgia have an incentive to perform better in high school that's not there in the President's plan," said Gary T. Henry, a professor of policy studies at Georgia State University and author of a study of Georgia's plan. "In the long run I believe the incentive for high school students is a far more powerful engine for educational change than the incentive at the college level."

Still, the difference between the programs gets to the basic debate about the President's program — should it be one that is focused primarily on improving access to education or one with a broader scope?

Merle Black, a professor of politics and government at Emory University, said Georgia's program makes more sense than Mr. Clinton's precisely because it targets high achievers already destined for college.

"When you come down to it, public policy really ought to benefit without regard to race or income those most likely to benefit from exposure to higher education," he said. "It goes against the grain of what's politically correct, but the best investment for society is probably in best educating the next generation of leaders."

Mr. Riley says the Administration's approach strikes a balance between aiding those with the most need and middle-class families.

But given limited resources and the growing gap in college attendance between rich and poor, and absent the huge pool of lottery money that has become a painless way to finance Georgia's program, Mr. Clinton's plan is certain to face withering scrutiny, even from those most supportive of expanded aid to higher education.

"We understand and respect the need for some kind of alleviation of the burden for middle-income families, but when you're talking about the difference between having access to school and not having access, I think we have to focus most on those with the most need," said Erica Adelshein, legal director for the United States Student Association, the nation's oldest and largest student association.

nry Kissinger

elsinki Fiasco

at previous president could ever bring himself to say that TO was "basically a mirror image of the Warsaw Pact"?

iose of us reared, as it were, on the :onviction that the Atlantic Alliance is the one of American policy—and who remain nced of it—can only regard the results of dent Clinton and Boris Yeltsin's summit at nki with deep melancholy.

ave supported NATO enlargement as the is to right a historical wrong and to gthen the defense of Central Europe and noral and political cohesion of the Atlantic nunity. But at Helsinki, Russian acquies- : to a decision that Moscow is in no ion to prevent was achieved at an exorbi- price. We seem on the verge of enlarging O by measures that undermine its ability rry out the three functions that have made ie guarantor of peace for nearly half a ury:

ipid, secure and frank consultations among minded nations about critical international :s.

fective crisis management.

credible system of deterrence under an :tive integrated military command.

ich of these is being jeopardised by the deal :hed at Helsinki. The NATO Council, in h the allies conduct their most sensitive ultations, is to be diluted by the creation of npeting NATO-plus-Russia forum. Russian on officers will be attached to the various 'O commands. Henceforth, crises are un- y to be managed—or even defined—with hing like the previous coherence. The ad- stration responds with its mantra that Rus- ias been given "a voice, not a veto." But the inki communique contradicts this: "They ier agreed that the NATO-Russia relation- , as defined in this document, should pro- for consultation, coordination and, to the imum extent possible where appropriate, decision-making and action on security :s of common concern."

eltain showed an accurate understanding of re matters really stand when he replied to a tion about the veto: " . . . the way we solve e issues is by consensus. That's how it is y among the NATO countries. And that is it will be once we include an agreement veen Russia and NATO."

xactly. The new NATO-Russian Council will h decisions precisely like the old one did; it fter all, the present NATO Council with the tion of a Russian envoy. Over time—and too long a time—the distinction between e two councils is going to erode. Russia is ady claiming that all issues of concern to it t go before the new NATO-Russian Coun- It is hard to know what subjects this would ude, and even more difficult to imagine nal decisions that would prevent Russia n participating in discussion on which it sts.

rom now on, all discussions within NATO—and at every subordinate head- rters—will be influenced by Russian partici- ts whose objectives cannot possibly be the :nse of NATO territory—historically the cipal objective of the Alliance. A telltale was Yeltsin's reaction when he was asked ut Finnish membership in NATO. He flatly sted that Finland was prohibited by its cy of neutrality from participating in blocs the process threatening Finland with the : of its economic ties to Russia). Yeltsin ited NATO as a hostile unit, not as the tnership Clinton so insistently invoked.

it a minimum, Russia will have succeeded in cting itself into NATO deliberations in a / bound to complicate purposeful Alliance on. One need only envisage the NATO ate on whether there should be Russian op movements into Belarus or pressures on raine. And what if NATO wants to intervene the Persian Gulf or North Africa? What ncil will be the appropriate forum, and what pens if Russia objects?

The never-never land emerging is character- l by a plethora of institutions that soon will npete for NATO consultation: the existing TO Council, composed of the current 16 TO members; the NATO-Russia Council, nposed of NATO members plus Russia; the rth Atlantic Cooperation Council, grouping TO and most former Eastern Bloc countries; l the Partnership for Peace, composed of TO and 11 Eastern countries, extending as as Kazakhstan. Since all these institutions served by the same staffs and attended by same NATO representatives, a dilution of ditional NATO purposes is inevitable.

3ureaucratic confusion will be compounded psychological distortion. Until now, NATO been a family club where—even with occa- nal backsliding—common purposes were en for granted. This is bound to end with ssia's de facto participation. The Europeans l want to prevent a Russo-American condo- nium; Russia will try to play the allies off against each other; and American energies will be absorbed in navigating these turbulent waters. Heretofore, in a crisis, vacillating NATO members took some political risk when they made separate overtures to Russia; henceforth, these will be built into the system of NATO consultations.

The administration argues that such a system is necessary because Bosnia—and not previous NATO experience—provides the prototype for future crisis management. But aside from the fact that Moscow had few alternatives, Russian cooperation did not require a structural upheaval of the Alliance.

Where exactly are other such cooperative efforts envisaged? And why could they not be arranged ad hoc, as in Bosnia? Paradoxically, the very institutionalizing of NATO-Russian cooperation in peacekeeping creates yet another Russian veto—as does the much-touted proposal of a Russo-American brigade.

A deeper, almost philosophical issue is involved. No member of the founding generation of the Atlantic Alliance would ever bring himself to say, as Clinton did at Helsinki, that NATO was "basically a mirror image of the Warsaw Pact." For we saw NATO as something unique and precious, possessed of elements that ought to be preserved and expanded into the nuclears of a union of democracies; while the generation framed by Vietnam views the Atlantic Alliance as a relic of the Cold War, if not an obstacle to overcoming it. That generation's goal is not to enlarge and strengthen the Atlantic Community but to "erase dividing lines."

Yet an alliance depends on drawing lines around a specified territory that the members undertake to defend.

Any meaningful enlargement of NATO inevitably brings about a new dividing line—this is why the historical nations of Central Europe aspire to NATO membership. They want to join the old, not the new, NATO.

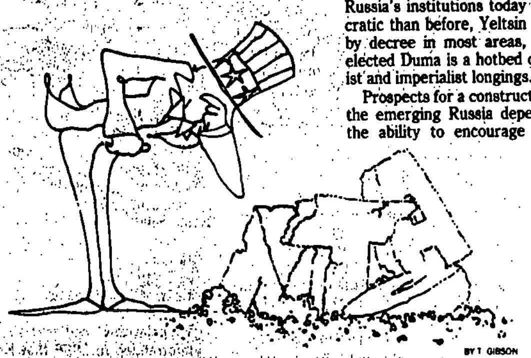
The Helsinki blueprint moves NATO from being an alliance toward a system of collective security. The difference is crucial. Where an alliance commits itself to defend a specific territory, a system of collective security (like the United Nations or the League of Nations) defines neither the territory to be defended nor the strategy for doing it. Each member is assumed to assess threats to the peace in the same way and to be willing to take the same steps to meet those threats. Decisions must be made as each case arises by quasi-judicial procedures in which the nation or nations responsible for the threat participate. Theoretically, some token peacekeeping forces may be created, but since neither the potential threat nor the likely theater of operations can be known in advance, these have never in the past amounted to much, either for deterrence or for strategy.

No wonder that the administration has never come up with a rationale for NATO enlargement that makes strategic sense, and that the president's most unambiguous commitment was made at a political speech to a Polish group in Detroit during the campaign. It also explains why the administration spokesmen insist so resolutely on describing Russia as a partner and potential NATO member.

No neighbor of Russia shares so benign a view of Russia's purposes. No NATO country considers Russia's size, territorial extent and distant non-European frontiers compatible with NATO membership. But none dares to contradict the leader of the Alliance upon which its security ultimately depends, or wants to arouse Russia's ire by putting forward its real views.

To be sure, the collapse of communism and the disintegration of the Soviet Union were events of historic consequence. But we devalue and perhaps even nullify their significance if we treat them as a completed process. Though Russia's institutions today are far more democratic than before, Yeltsin continues to govern by decree in most areas, while the popularly elected Duma is a hotbed of nostalgic nationalist and imperialist longings.

Prospects for a constructive relationship with the emerging Russia depend in large part on the ability to encourage Russian leaders to interrupt the fatal rhythm of Russian history. For four centuries, Russia has relentlessly pushed its frontiers outward from the area around Moscow to the center of Europe, the shores of the Pacific, the approaches to India and the edge of the Middle East.



BY T GIBSON

Even post-Communist Russia is conducting some policies redolent of traditional Russian imperialism, and it started on that road well before the projected NATO enlargement on which Russian assertiveness is so often blamed. Russia has refused to demarcate its borders with Ukraine or sign a border treaty with tiny Estonia; it maintains bases on the territory of Georgia after fomenting a civil war there, and is now repeating the same process in Azerbaijan; it keeps its troops on the territory of Tajikistan; and it insists that all oil pipelines from Central Asia run though Russia, giving Moscow a stranglehold in a new oil crisis.

A NATO enlargement that preserved NATO's strength would discourage Russia's historical policy of creating a security belt of impotent and, if possible, politically dependent states around its borders. (A "buffer zone," as Defense Minister Igor Radionov called it in December.) Ironically, the "new NATO" may provide a forum for Russia's traditional strategy of dividing the countries around it and for weakening the Alliance.

Russia should have every opportunity to participate fully in the elaboration of the international order that is emerging. But this did not require de facto membership in NATO. Periodic summits between American and Russian leaders, the participation of the Russian president in the meetings of the G-7 economic summits and the NATO-Russian cooperation on Bosnia are welcome examples of constructive Russian participation.

The Organization for Security and Cooperation in Europe would have provided an appropriate forum for security matters, or else we could have accepted French President Chirac's proposal to use the machinery that negotiated on German unification and that constitutes the contact group for Bosnia—the United States, the United Kingdom, France, the German Federal Republic and Russia, with the possible inclusion of Italy and a rotating member of the European Union. This would have separated the political construction of the emerging international system from the historical task of the NATO Alliance—the defense of Europe—which would have remained in place as a safety net.

Several conclusions follow. One of the many ironies of Helsinki is that Russia seems to be achieving NATO participation before the new applicants, which are obliged to cool their heels waiting for ratification. The new NATO-Russian Council should therefore be delayed until the ratification process is completed; or at a minimum, the applicant members should be allowed to participate in the deliberations of the new NATO-Russian forum and of the NATO Council itself, pending ratification.

Second, now that it has been the beneficiary of such goodwill, Russia should stop its agitation against NATO enlargement and explicitly accept all its frontiers with neighboring states.

Third, there must be a formal Alliance declaration reaffirming that the Alliance itself (embodied in the North Atlantic Council) is the preeminent body and the forum to which the Allies owe their most fundamental obligations and, as such, distinct from the multitude of groupings in which the Allies demonstrate their willingness to talk with others.

Finally, during the ratification debate, the Senate must find ways to express America's continued belief in the central importance of the community of democracies bordering the Atlantic and to modify some of the open-ended commitments made by the president at Helsinki.

The writer, a former secretary of state, is president of Kissinger Associates, an international consulting firm that has clients with business interests in many countries abroad.

George F. Will

The Education Bubble

And a saturated job market.

Professors, said Mencken, do not belong in government. Their proper business is teaching sophomores how to hate their fathers. But government is deeply involved in higher education, "a remarkably unwatched industry," according to Anne Matthews. Her new book, which may make educators wish she were not watching, should be a sobering read for government officials.

In "Bright College Years: Inside the American Campus Today," Matthews, who teaches in New York University's graduate journalism program, casts a cool eye on an industry that employs 2.5 million people (more than the auto, steel and textile industries combined) and constitutes "an archipelago nation-within-a-nation, two thousand islands in the social sea." A professor's daughter, she feels affection for that nation, but paints a melancholy picture of it.

Higher education has, she says, grown every year since Harvard's founding, "a three-hundred-sixty-year winning streak." In 1946 there were 2.4 million students on campuses; in 1960, 3.2 million; in 1970, 7.5 million. Today 9 million people attend 2,125 four-year institutions (595 public, 1,530 private) full time and several million more part time.

They are taking their time, an average of almost six years to earn a baccalaureate degree. Half who matriculate will not graduate. One in four freshmen will never become a sophomore. Institutional endowments total more than $100 billion—more than Belgium's GDP—but 60 percent of the total belongs to 50 schools. And all but 50 or so elite schools are, Matthews says, increasingly desperate for even marginal and unprepared students. Only one student in five fits the stereotype of a student—under 22, enrolled full time and living on campus. The student population is increasingly female, public, adult, local (four of five enroll in their home state) and in debt. There are $26 billion in college loans and half of all students graduate with significant debts, some of which will last until their children are college age.

Yet so frantic is the education industry for raw material (students), institutions are not only lowering standards (requiring only "a pulse in one hand, a check in the other"), they are discounting tuitions, advertising sushi and waffle bars in the student unions and prime cable service in the dorms where, Matthews says, some students hibernate for days "eating red licorice and channel-surfing." Some institutions send bounty hunters abroad in search of wealthy foreigners.

Only 25 percent of undergraduates are liberal arts majors. Twenty-five percent are business majors, most of the rest are on vocational tracks such as health care, and primary and secondary education. The four courses with the highest enrollments are American studies, basic composition, remedial math, statistics. The average student does about 29 hours a week of schoolwork, down from about 60 hours in the early 1960s.

There is a widening chasm between faculty formed in a print culture and students produced by a wired world. Matthews says it is shocking to hear undergraduates try to read 19th century prose, Elizabethan English is like Sanskrit and "Shakespeare courses rely heavily on in-class movies." She tells of an art history professor showing students a slide of a Rubens painting.

Student: "What's the story line on this thing?"

Professor: "It doesn't have one. It's a 17th century portrait."

Student: "It doesn't move at all?"

Professor: "Unfortunately, no."

Student: "But I can't see things if they don't move."

The market for PhDs is glutted: only two in five get academic jobs. There are a million PhDs without academic employment, and some are in academia only as "freeway flyers," driving between adjunct appointments on several campuses, paid perhaps $1,000 per course, with no benefits or faculty prerogatives. Adjunct faculty, Matthews writes, are the field hands of academia and "are thought to account for 40 or even 50 percent of all face-to-face undergraduate teaching now, as opposed to 22 percent in the early 1970s."

But, then, the market for college graduates is saturated: an estimated 20 percent work in jobs that do not really require a degree. Says Matthews, "A third of Domino's pizza-delivery drivers in the Washington, D.C., area have BAs." A help-wanted ad seeking a warehouse supervisor for The Gap reads: "Bachelor's degree required, and the ability to lift 50 pounds."

Matthews's book refutes the premise of President Clinton's plan for tuition tax credits and deductions. The premise is that higher education's most pressing needs are more money and more students. Even without new inducements, students by the millions will come to campuses full of yearnings like those of the incoming freshman who wrote to a college adviser, "I want to experience a philosophy or a sociology. There are none in Florida."

The Digest of Education Statistics 1996 / Table 309

Table 309.--Average undergraduate tuition and fees and room and board rates paid by students in institutions of higher education, by type and control of institution: 1964-65 to 1995-96

Year and control of institution	Total tuition, room, and board					Tuition and required fees (in-				
	All institutions	4-year institutions			2-year	All institutions	4-year institutions			2-year
		All 4-year	Universities	Other 4-year			All 4-year	Universities	Other 4-year	
1	2	3	4	5	6	7	8	9	10	
All institutions										
1976-77	$2,275	$2,577	$2,647	$2,527	$1,598	$924	$1,218	$1,210	$1,223	
1977-78	2,411	2,725	2,777	2,685	1,703	984	1,291	1,269	1,305	
1978-79	2,587	2,917	2,967	2,879	1,828	1,073	1,397	1,370	1,413	
1979-80	2,809	3,167	3,223	3,124	1,979	1,163	1,513	1,484	1,530	
1980-81	3,101	3,499	3,535	3,469	2,230	1,289	1,679	1,634	1,705	
1981-82	3,489	3,951	4,005	3,908	2,476	1,457	1,907	1,860	1,935	
1982-83	3,877	4,406	4,466	4,356	2,713	1,626	2,139	2,081	2,173	
1983-84	4,167	4,747	4,793	4,712	2,854	1,783	2,344	2,300	2,368	
1984-85	4,563	5,160	5,236	5,107	3,179	1,985	2,567	2,539	2,583	
1985-86\2\ .	4,885	5,504	5,597	5,441	3,367	2,181	2,784	2,770	2,793	
1986-87\3\ .	5,206	5,964	6,124	5,857	3,295	2,312	3,042	3,042	3,042	
1987-88 ...	5,494	6,272	6,339	6,226	3,263	2,458	3,201	3,168	3,220	
1988-89 ...	5,869	6,725	6,801	6,673	3,573	2,658	3,472	3,422	3,499	
1989-90	6,207	7,212	7,347	7,120	3,705	2,839	3,800	3,765	3,819	
1990-91	6,562	7,602	7,709	7,528	3,930	3,016	4,009	3,958	4,036	
1991-92	7,074	8,252	8,389	8,164	4,089	3,282	4,399	4,366	4,417	
1992-93	7,452	8,758	8,934	8,648	4,207	3,517	4,752	4,665	4,795	1376
1993-94	7,931	9,296	9,495	9,186	4,449	3,827	5,119	5,104	5,127	1399
1994-95	8,306	9,728	9,863	9,646	4,633	4,044	5,391	5,287	5,441	1488
1995-96\4\ .	8,774	10,315	10,551	10,177	4,730	4,312	5,771	5,725	5,794	1518
Public institutions										
1964-65	950	---	1,051	867	638	243	---	298	224	
1965-66	983	---	1,105	904	670	257	---	327	241	
1966-67	1,026	---	1,171	947	710	275	---	360	259	
1967-68	1,064	---	1,199	997	789	283	---	366	268	
1968-69	1,117	---	1,245	1,063	883	295	---	377	281	
1969-70	1,203	---	1,362	1,135	951	323	---	427	306	
1970-71	1,287	---	1,477	1,206	998	351	---	478	332	
1971-72	1,357	---	1,579	1,263	1,073	376	---	526	354	
1972-73	1,458	---	1,668	1,460	1,197	407	---	566	455	
1973-74	1,517	---	1,707	1,506	1,274	438	---	581	463	
1974-75	1,563	---	1,760	1,558	1,339	432	---	599	448	
1975-76	1,666	---	1,935	1,657	1,386	433	---	642	469	

1976-77	1,789	1,935	2,067	1,827	1,491	479	617	689	564	
1977-78	1,888	2,038	2,170	1,931	1,590	512	655	736	596	
1978-79	1,994	2,145	2,289	2,027	1,691	543	688	777	622	
1979-80	2,165	2,327	2,487	2,198	1,822	583	738	840	662	
1980-81	2,373	2,550	2,712	2,421	2,027	635	804	915	722	
1981-82	2,663	2,871	3,079	2,705	2,224	714	909	1,042	813	
1982-83	2,945	3,196	3,403	3,032	2,390	798	1,031	1,164	936	
1983-84	3,156	3,433	3,628	3,285	2,534	891	1,148	1,284	1,052	
1984-85	3,408	3,682	3,899	3,518	2,807	971	1,228	1,386	1,117	
1985-86\2\ .	3,571	3,859	4,146	3,637	2,981	1,045	1,318	1,536	1,157	
1986-87\3\ .	3,805	4,138	4,469	3,891	2,989	1,106	1,414	1,651	1,248	
1987-88 ...	4,050	4,403	4,619	4,250	3,066	1,218	1,537	1,726	1,407	
1988-89	4,274	4,678	4,905	4,526	3,183	1,285	1,646	1,846	1,515	
1989-90	4,504	4,975	5,324	4,723	3,299	1,356	1,780	2,035	1,608	
1990-91	4,757	5,243	5,585	5,004	3,467	1,454	1,888	2,159	1,707	
1991-92	5,135	5,695	6,051	5,459	3,623	1,624	2,119	2,410	1,933	
1992-93	5,379	6,020	6,442	5,740	3,799	1,782	2,349	2,604	2,192	1025
1993-94	5,694	6,365	6,710	6,146	3,996	1,942	2,537	2,820	2,360	1125
1994-95	5,965	6,670	7,077	6,409	4,137	2,057	2,681	2,977	2,499	1192
1995-96\4\..	6,252	7,013	7,451	6,727	4,236	2,176	2,848	3,151	2,661	1245
Private institutions										
1964-65	1,907	---	2,202	1,810	1,455	1,088	---	1,297	1,023	
1965-66	2,005	---	2,316	1,899	1,557	1,154	---	1,369	1,086	
1966-67	2,124	---	2,456	2,007	1,679	1,233	---	1,456	1,162	
1967-68	2,205	---	2,545	2,104	1,762	1,297	---	1,534	1,237	
1968-69	2,321	---	2,673	2,237	1,876	1,383	---	1,638	1,335	
1969-70	2,530	---	2,920	2,420	1,993	1,533	---	1,809	1,468	
1970-71	2,738	---	3,163	2,599	2,103	1,684	---	1,980	1,603	
1971-72	2,917	---	3,375	2,748	2,186	1,820	---	2,133	1,721	
1972-73	3,038	---	3,512	2,934	2,273	1,898	---	2,226	1,846	
1973-74	3,164	---	3,717	3,040	2,410	1,989	---	2,375	1,925	
1974-75	3,403	---	4,076	3,156	2,591	2,117	---	2,614	1,954	
1975-76	3,663	---	4,467	3,385	2,711	2,272	---	2,881	2,084	
1976-77	3,906	3,977	4,715	3,714	2,971	2,467	2,534	3,051	2,351	
1977-78	4,158	4,240	5,033	3,967	3,148	2,624	2,700	3,240	2,520	
1978-79	4,514	4,609	5,403	4,327	3,389	2,867	2,958	3,487	2,771	
1979-80	4,912	5,013	5,891	4,700	3,751	3,130	3,225	3,811	3,020	
1980-81	5,470	5,594	6,569	5,249	4,303	3,498	3,617	4,275	3,390	
1981-82	6,166	6,330	7,443	5,947	4,746	3,953	4,113	4,887	3,853	
1982-83	6,920	7,126	8,536	6,646	5,364	4,439	4,639	5,583	4,329	
1983-84	7,508	7,759	9,308	7,244	5,571	4,851	5,093	6,217	4,726	
1984-85	8,202	8,451	10,243	7,849	6,203	5,315	5,556	6,843	5,135	
1985-86\2\ .	8,885	9,228	11,034	8,551	6,512	5,789	6,121	7,374	5,641	
1986-87\3\ .	9,676	10,039	12,278	9,276	6,384	6,316	6,658	8,118	6,171	
1987-88	10,512	10,659	13,075	9,854	7,078	6,988	7,116	8,771	6,574	
1988-89	11,189	11,474	14,073	10,620	7,967	7,461	7,722	9,451	7,172	
1989-90	12,018	12,284	15,098	11,374	8,670	8,147	8,396	10,348	7,778	
1990-91	12,910	13,237	16,503	12,220	9,302	8,772	9,083	11,379	8,389	
1991-92	13,907	14,273	17,779	13,189	9,631	9,434	9,775	12,192	9,053	
1992-93	14,634	15,009	18,898	13,882	9,903	9,942	10,294	13,055	9,533	6058
1993-94	15,496	15,904	20,097	14,640	10,406	10,572	10,952	13,874	10,100	6370

1994-95	16,207	16,602	21,041	15,363	11,170	11,111	11,481	14,537	10,653	6914
1995-96\4\ .	17,207	17,613	22,470	16,203	11,502	11,858	12,239	15,581	11,294	7039

1 Data for 1986-87 and later years reflect 20 meals per week rather than meals 7 days per week.

2 Room and board data are estimated.

3 Because of revisions in data collection procedures, figures are not entirely comparable with those for previous years. In particular, data on board rates are somewhat higher than earlier years because they reflect a basis of 20 meals per week rather than meals served 7 days per week. Since many institutions serve fewer than 3 meals each day, the 1986-87 and later data reflect a more accurate accounting of total board costs. Because of their low response rate, data for private 2-year colleges must be interpreted with caution.

4 Preliminary data based on fall 1994 enrollment weights.

---Data not available.

NOTE.--Data are for the entire academic year and are average charges paid by students. Tuition and fees were weighted by the number of full-time-equivalent undergraduates but were not adjusted to reflect student residency. Room and board were based on full-time students. The data have not been adjusted for changes in the purchasing power of the dollar. Some data have been revised from previously published figures. Because of rounding, details may not add to totals.

SOURCE: U.S. Department of Education, National Center for Education Statistics, "Institutional Characteristics of Colleges and Universities" and "Fall Enrollment in Institutions of Higher Education" surveys; Integrated Postsecondary Education Data System (IPEDS), "Fall Enrollment" and "Institutional Characteristics" surveys. (This table was prepared September 1996.)

Download this table as a Lotus WK1 file.

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UP

S. A. Noe

02/25/97 12:46:24 PM

Record Type: Record

To: Cynthia M. Smith/OMB/EOP

cc: Robert M. Shireman/OMB/EOP
Subject: HOPE -- Tuition inflation responses

I am sending the Administration's official answer to Chairman Archer's question on tuition inflation. Also included two additional Qs&As for your information.

Chairman Archer's Question on Tuition Inflation

Q: Won't these proposals contribute to educational inflation and drive up the cost of college for all Americans?

(This answer was sent to Archer on Jan. 30, 1997.)
A: Educational institutions face a number of pressures that should keep tuition inflation to a minimum. For example, community college fees are heavily influenced by the community member who takes just one course at a time. These students are not eligible for HOPE scholarships, and even with the aid of the tuition deduction, would be sensitive to price increases. We also believe that the competition for students among postsecondary institutions will make them reluctant to impose higher costs.

The possibility for tuition inflation is inherent in many types of student assistance, whether in the form of a scholarship or grant program, or in the form of a tax credit or deduction. We do not believe such concern is warranted enough to deter us from seeking to expand the benefits Americans have realized from student financial aid, particularly when the increases and decreases in student aid over the past three decades have produced little evidence of a relationship between Federal aid and college tuition levels. In Georgia -- where the HOPE scholarship idea began in 1993 -- tuition at public two-year colleges grew by 13% between the 1992-3 and the 1995-6 academic year, compared to a national average of 21%.

(A slightly colloquial version of answer)

Tuition Inflation

Q: Won't colleges, especially community colleges, increase their tuition, now that so many students will be getting this $1500 credit?

A: This is always an issue with any tax benefit or government program, so it is something to watch for. But even with the increases and decreases in student aid over the past three decades, there is little evidence of a relationship between federal aid and college tuition levels. In Georgia -- where the HOPE scholarship idea began in 1993 -- tuition at public two-year colleges grew by 13% between the 1992-3 and the 1995-6 academic year, compared to a national average of 21%.

Community college fees are heavily influenced by the community member who takes just one course at a time. Those students are not eligible for HOPE, so this would be a strong counter-weight to any inflationary pressure in that sector.

Remember also that the credit is available for only the first two years. The third- and fourth-year students taking advantage of the deduction would still be very sensitive to price. Four-year institutions don't have different tuition levels for juniors and seniors than for freshmen and sophomores, and that should help keep any inflationary pressure under control.

Expanded Access to Postsecondary Education

Q: The President has talked about the tax breaks as a means of increasing access to higher education by making it available to those who currently cannot afford it. Will the tax credit and deduction boost postsecondary enrollment? How many more students would be likely to attend college as a result of the tax break?

A: There is no question that the Federal government's investments in higher education -- the post WWII G.I. Bill, student loans, Pell Grants -- have helped to boost college enrollment. We expect that this will also have a modest effect. But this is also a *tax cut*, to help middle class families who are struggling now to pay to send their kids to college. Just because some families are *successfully* struggling doesn't mean they don't deserve a break.

EDUCATION DAILY

The education community's independent daily news service

Vol. 30, No. 53
Wednesday, March 19, 1997

Title I Schools May See Census, Legal Shifts By Fall

The Education Department's top Title I official told urban school administrators Monday to plan their budgets for the next school year with expectations of major changes.

ED has until July to decide whether to use new census data to distribute funding, and by that time the U.S. Supreme Court may broaden the ways public schools may serve students who attend religious schools.

Conference Report

Census figures from 1994 will likely show significant population shifts of low-income children—both within states and from state to state—since 1990, the year on which funding for Title I, vocational education and some smaller programs is now based, said Mary Jean LeTendre, ED's director of compensatory education.

The National Academy of Sciences (NAS) is to give ED a preliminary report reviewing the census data as early as this week, LeTendre told members of the Council of the Great City Schools at their legislative conference in Washington, D.C., Monday.

"We are committed to using the data, if at all possible," she said. If NAS finds the census data inaccurate or unreliable, then ED does not have to use it.

No matter what the figures show, districts with poverty rates of 30 percent or more are guaranteed at least 95 percent of the Title I amount they received the previous year.

"It would be prudent to look at 95 percent and have a plan," LeTendre said.

(more on p. 3)

In This Issue

Rising Tuition Costs Blunted By Deep Student Discounts

Less than 10 percent of college students pay the full tuition sticker price, a new survey says.

The discount rate for freshman—mostly in the form of institution-supported aid—has risen 31 percent since 1990, helping to deflate rapid tuition increases, according to the study released last week by the National Association of College and University Business Officers (NACUBO).

For instance, published tuition prices at the three types of schools surveyed increased an average of 42 percent to 48 percent over seven years. But the net tuition charge increased only 25 percent to 33 percent over that period.

Across-The-Board Aid

A look at 232 four-year schools that have submitted data for the NACUBO study since 1991 found steep discounts for all three types of institutions studied: small colleges with relatively low tuition; small colleges with relatively high tuition; and large colleges and universities.

(more on p. 2)

Average Tuition Rates For Full-Time College Freshmen

Editor's note: The table below compares data from 232 institutions.

Fall	Small colleges, lower tuition[1]		Small colleges, higher tuition[2]		Large colleges, universities[3]	
	Gross	Net	Gross	Net	Gross	Net
1990	$8,127	$5,930	$13,333	$9,594	$10,594	$8,418
1991	8,821	6,192	14,342	9,896	11,725	9,000
1992	9,469	6,413	15,343	10,248	12,442	9,402
1993	10,123	6,745	16,332	10,916	13,219	9,853
1994	10,781	7,071	17,132	11,212	13,998	10,142
1995	11,446	7,341	18,193	11,744	14,756	10,703
1996	12,058	7,459	19,102	12,041	15,588	11,207

[1] *Tuition less than $15,700 in fall 1996.*
[2] *Tuition of $15,700 or more in fall 1996.*
[3] *Entering freshman class of 850 or more.*

Source: National Association of College and University Business Officers, "1996 Tuition Discounting Executive Summary," March 1997.

Rising Tuition Costs Blunted By Student Discounts (Cont.)

Small colleges with relatively high tuition posted an average tuition of $19,102. Full-time freshmen, however, paid an average of $12,041, a discount of more than $7,000 *(see chart, above)*.

At smaller colleges with low tuition, 82 percent of freshmen received discounts. Smaller schools with high tuition gave discounts to 67 percent of their freshmen, and large colleges and universities discounted tuition for 59 percent of freshmen.

Catching Congress's Eye

Escalating tuition costs have caught the attention of Congress, which worries that increasing federal student aid will fuel even more tuition increases. They often site a General Accounting Office study that found tuition increased 234 percent since 1980 (ED, Aug. 20, 1996).

The National Association of Independent Colleges and Universities (NAICU) released a study earlier this month citing the need for more institutionally provided student aid as a key reason for tuition increases (ED, March 4).

Timothy McDonough, NAICU spokesman, said that the institutional aid has allowed private institutions to maintain access to a variety of students. Private institutions "know a majority of students will not be able to pay full price," he said. "But those who can afford to pay more, pay more. It's decided by student."

McDonough said the high sticker price for private schools is more reflective of the true cost of educating a student than the lower tuition rates of public schools. "Public tuition prices are artificially lower" because of state subsidies, he said, and the benefit goes to students from all income levels.

"1996 Tuition Discounting Executive Summary" is $24.95 for members and $34.95 for nonmembers from National Association of College and University Business Officers Publications, P.O. Box 96164, Washington D.C. 20090-6164, (202)861-2580. —Rebecca S. Weiner

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Health, Education and Human Services Division

B-274567

September 19, 1996

The Honorable Carol Moseley-Braun
United States Senate

Dear Senator Moseley-Braun:

In August 1996, we reported that there is widespread concern about the increase in college tuition levels and that average tuition levels vary widely among the states.[1] In our earlier report, we showed that tuitions were rising faster than college expenditures and that state funding and grant aid were not keeping pace with these costs.

Based on our report, you requested information on (1) the states' public 4-year colleges' and universities' average tuition as a percentage of median household income and (2) comparative increases in tuition at these schools from school year 1980-81 through 1994-95, with increases in other selected consumer prices and median household income during the same period.

To determine schools' average tuition as a percentage of median household income, we divided the average annual tuition for in-state undergraduate students of 4-year public colleges and universities for school year 1995-96 in each state by the state's median household income for calendar year 1994, the latest year for which such data were available. For our comparison of tuition price increases with changes in selected consumer prices and median household income, we used the consumer price index (CPI) and other information from the 1995 Statistical Abstract of the United States.

We conducted our review in August and September 1996 in accordance with generally accepted government auditing standards.

[1]Higher Education: Tuition Increasing Faster Than Household Income and Public Colleges' Costs (GAO/HEHS-96-154, Aug. 15, 1996).