

News from the
Committee on Education and the Workforce
John Boehner, Chairman

COMMITTEE ON EDUCATION AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES

October 7, 2003

COLLEGE ACCESS vs. COLLEGE EXCESS:
Extravagant Spending at Higher Learning Institutions Drives
Up Tuition Costs, *NY Times* Reveals

Dear Colleague:

We'd like to draw your attention to the following article, "Jacuzzi U.? A Battle of Perks to Lure Students," which appeared in Sunday's *New York Times*. The article describes the increasing availability of lavish facilities on campuses across America, and how this trend is driving up the cost of higher education.

As the article notes, "To finance the boom, universities are borrowing money at an escalating pace ... the blitz of new student unions, dormitories, recreational centers and their related perks is 'probably the No. 1 driver' of the trend."

"'Are they driving up the cost of education? Absolutely,' said Naomi Richman, manager of Moody's higher education rating team. 'By catering to the students they're trying to court away from other schools, they're making their product more expensive.'"

For decades, the cost of college has been increasing much faster than the rate of inflation, and much faster than the growth in family incomes. As the *New York Times* article makes clear, colleges and universities themselves bear a significant share of the responsibility for these disproportionate increases. Institutions of higher learning can -- and should -- be doing more to control spending, instead of reflexively passing these costs on to students and parents.

We encourage you to join us as we work to keep higher education affordable and continue the success of America's great higher education system. For more information on the college cost crisis or the reauthorization of the Higher Education Act, please contact the Education & the Workforce Committee majority staff at 225-4527.

Sincerely,

/s/

/s/

John Boehner (R-OH)
Chairman
Education & the Workforce Committee
Subcommittee

Howard P. "Buck" McKeon (R-CA)
Chairman
21st Century Competitiveness

New York Times

October 5, 2003

Jacuzzi U.? A Battle of Perks to Lure Students

By GREG WINTER

In the abstract, Kathy Anzivino believes there must be some pinnacle of amenities that universities simply cannot surpass, some outer limit so far beyond the hot tubs, waterfalls and pool slides she offers at the University of Houston that even the most pampered students will never demand it and the most recruitment-crazed colleges will never consent to put it on their grounds.

She just has a hard time picturing what that might be.

"There's got to be one, but what it is, I don't know," said Ms. Anzivino, director of campus recreation at the university, which opened a \$53 million wellness center this year.

Beyond its immense rotunda stands a five-story climbing wall that looks as if it was transported straight from Arches National Park, while boulders and palm trees frame the leisure pools outside.

"Everyone says it looks like a resort," she said.

Whether evident in student unions, recreational centers or residence halls (please, do not call them dorms) the competition for students is yielding amenities once unimaginable on college campuses, spurring a national debate over the difference between educational necessity and excess.

Critics call them multimillion-dollar luxuries that are driving up university debts and inflating the cost of education. Colleges defend them as compulsory attractions in the scramble for top students and faculty, ignored at their own institutional peril. And somewhere in the middle sit those who have only one analogy for the building boom taking place.

"An arms race," said Clare Cotton, president of the Association of Independent Colleges and Universities in Massachusetts. "It's exactly the psychology of an arms race. From the outside it seems totally crazy, but from the inside it feels necessary and compelling." Students now get massages, pedicures and manicures at the University of Wisconsin in Oshkosh, while Washington State University boasts of having the largest Jacuzzi on the West Coast. It holds 53 people.

Play one of 52 golf courses from around the world on the room-sized golf simulators at Indiana University of Pennsylvania — which use real balls and clubs.

Only about 100 miles away, Pennsylvania State University's student center has two ballrooms, three art galleries, a movie theater with surround sound and a 200-gallon tropical ecosystem with newts and salamanders. Oh, and a separate 550-gallon salt-water aquarium with a live coral reef.

Ohio State University is spending \$140 million to build what its peers enviously refer to as the Taj Mahal, a 657,000-square-foot complex featuring kayaks and canoes, indoor batting cages and ropes courses, massages and a climbing wall big enough for 50 students to scale simultaneously. On the drawing board at the University of Southern Mississippi are plans for a full-fledged water park, complete with water slides, a meandering river and something called a wet deck — a flat, moving sheet of water so that students can lie back and stay cool while sunbathing.

"The base minimum is a thing of the past," said David Rood, a spokesman for the National Association of College Auxiliary Services. "There is a lot of one-upmanship going on. Whatever the students want is pretty much what they're getting."

To finance the boom, universities are borrowing money at an escalating pace. According to Moody's Investors Service, public and private universities issued \$12 billion worth of bonds in the first three quarters of 2003, a 22 percent increase from last year and almost three times as much as in the same period in 2000.

The vast majority of that borrowing has been for construction, Moody's said, and while some of the surge reflects a desire to refinance earlier projects at better interest rates, most of it stems from the current transformation of the nation's campuses. Though that includes classrooms and research buildings, Moody's said, the blitz of new student unions, dormitories, recreational centers and their related perks is "probably the No. 1 driver" of the trend.

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In almost all cases, the debts for these facilities are paid by mandatory student fees that will continue for decades, often a few hundred dollars a year per person. Because students usually have some initial role in approving the projects, through surveys, representatives or even referendums, colleges like to point out that students are willing to tax themselves to reap the benefits, whereas tuition increases simply show up on their bill.

Nonetheless, critics retort, future classes of students and the parents who support them will have had no say at all. Perhaps even more important, they contend that the amenities race is purely discretionary, and therefore much harder to justify than the myriad

expenses colleges can scarcely control, like labor contracts, health insurance premiums and fuel prices.

"We all want our children to live better than we did, but this is overkill," said Representative Howard P. McKeon, a California Republican who has vowed to introduce legislation to curb rises in college tuition and fees. "When colleges tell me that they can't control their costs and then they build this, I find it hard to believe."

But how discretionary is the amenities race? Surely not all the bells and whistles are defensible, college officials concede, but given the expectations of students who have grown up with DVD players in their own rooms, any campus without, say, a nightclub and a food court is as obsolete as an eight-track cassette.

"These are not frills," said Daniel M. Fogel, president of the University of Vermont. "They are absolute necessities."

The University of Vermont plans to spend up to \$70 million on a new student center, a colossal complex with a pub, a ballroom, a theater, an artificial pond for wintertime skating and views of the mountains and Lake Champlain.

By today's standards, Mr. Fogel said, that is rather modest.

"Harvard can count on enough bright kids willing to sleep on thin mats of straw to go there," Mr. Fogel said. "That's Harvard."

Colleges have become so attuned to the amenities race that the University of Vermont's architects, a firm called WTW that has worked on about 50 such projects in the last decade alone, took the trustees on a tour of other campuses to survey the competition.

And though the contest has made it as far as the Ivy League — Cornell is investing \$259 million in what it calls "student life" and residential facilities alone — there is a preponderance of activity on public campuses for a simple reason.

They are keen on challenging private colleges, luring out-of-state students who pay higher tuitions and keeping locals from taking their dollars elsewhere.

"Those who can't go anyplace else, that's one thing, but most students are mobile," said Mitchel D. Livingston, vice president for student affairs at the University of Cincinnati, which is spending \$200 million on a main street of sorts, with everything from outdoor cafes to what he called a "mall style" student center.

"When they go on tours, within 15 minutes they know whether we're in or out," he said.

"These amenities are playing a major role in that decision. They want to be 'wowed.' That's their language. To be 'wowed.' "

By some measures, the competitive bid appears to be paying off. Since opening its new

recreation center in 2001, for example, Washington State University has assembled a freshman class with the best grade-point average in the university's history.

"I wouldn't pretend that was the only factor, but it was one of them," said Kathleen E. Hatch, the university's recreation director.

"Is \$40 million worth it?" she asked. "Well, \$40 million becomes a part of the profile of becoming world class, which is the new tag line. It's helped put us on the map."

But while students liberally line up behind lavish facilities, there is no shortage of detractors who bemoan the price tag that can accompany them.

Liza Greifinger, a 19-year-old sophomore from Dobbs Ferry, N.Y., chose Vermont because she fell in love with its mountains, and was not put off by any lack of luxury. As for the impending student center, she said: "It's definitely excessive. Out-of-state tuition is already so high, and people are complaining about it."

Still, there is another, equally powerful audience that many universities are eager to impress: donors and alumni.

Last year, the University of Rhode Island opened a \$54 million sports complex with luxury boxes and a skating rink that is open 15 hours a day. As Linda A. Acciardo, a university spokeswoman, put it: "People don't give to institutions that look like they need money. They give to institutions they are proud to be associated with."

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