It’s a kick in the gut even for students and families hardened to bad financial news: Average in-state tuition and fees at four-year public colleges rose another $631 this fall, or 8.3 percent, compared to a year ago.

Nationally, the cost of a full credit load has passed $8,000, an all-time high. Throw in room and board, and the average list price for a state school now runs more than $17,000 a year, according to the twin annual reports on college costs and student aid published Wednesday by the College Board.

Tuition and fees at East Carolina University increased 11.9 percent or $567 this year for full-time in-state undergraduates. Once a $204 tuition increase, a $100 fee increase and a supplemental state increase of $263 were combined, the cost went from $4,947 per year to $5,514 per year.

“Tuition increases are higher than anyone at ECU would want them to be,” John Durham, a university spokesman, said.

“Unfortunately, because of the dramatic reduction in state appropriations to ECU and other universities in the UNC system, we have no choice but to ask our students and their families to shoulder a larger share of the cost of their education. It is important to note that even with the increases, costs at North Carolina’s public universities remain relatively low when compared with other states.”

Helping drive the national numbers were huge tuition increases at public universities in California, which enrolls 10 percent of public four-year college students and whose 21 percent tuition increase this year was the largest of any state.

But even without California, prices would have increased 7 percent on average nationally — an exceptional burden at a time of high unemployment and stagnant family incomes.
The package of increases in the University of North Carolina system approved by the Board of Governors in February raised costs by an average of 8.2 percent. The largest jump — at nearly 18 percent to $4,084 — was for undergraduates at Fayetteville State University.

For in-state undergraduates at Chapel Hill, tuition and fees rose $352 to $6,839 per year. At N.C. State, rates increased $480 to $6,874. And at N.C. Central University, rates went up $240 to $4,719.

The large increase in federal grants and tax credits for students, on top of stimulus dollars that prevented greater state cuts, helped keep the average tuition-and-fees that families actually pay much lower: about $2,490, or just $170 more than five years ago. But the days of states and families relying on budget relief from Washington appear numbered. And some argue that while Washington’s largesse may have helped some students, it did little to hold down prices.

“The states cut budgets, the price goes up, and the (federal) money goes to that,” said Patrick Callan, president of the National Center for Public Policy and Higher Education. “For 25 years we’ve been putting more and more money into financial aid, and tuition keeps going up. We’re on a national treadmill.”

Terry Hartle, senior vice president at the American Council on Education, which represents colleges in Washington, said the cause of the price increases for the 80 percent of college students who attend public institutions is clear. State appropriations to higher education declined 18 percent per student over the last three years, the College Board found, the sharpest fall on record.

“To see increases of 20 percent, as we saw in California, to see gains of 15 percent in other states, is simply unprecedented,” Hartle said. “Tuition is simply being used as a revenue substitute in many states.”

The latest report comes with concerns about student debt front and center among many of the Occupy Wall Street protesters. And President Obama is expected today to announce a new loan consolidation program, plus measures to encourage more borrowers to use the government’s new income-based repayment option that caps monthly payments.
The College Board reports roughly 56 percent of 2009-10 bachelor’s degree recipients at public four-years graduated with debt, averaging about $22,000. At private nonprofit universities, the figures were higher — 65 percent and about $28,000.

“Psychologically, practically, it’s a big number, and it will inform important choices, like when and whether you buy a home, start a family, save for retirement or take the risk of starting a new business,” said Lauren Asher, president of The Institute for College Access and Success.

This year, for the first time, total outstanding student loan debt has passed $1 trillion, and it now exceeds outstanding credit card debt, according to the Federal Reserve Bank of New York.

Still, private borrowing — usually more dangerous than government loans — has been falling. And Asher and other experts emphasize that the types of loans students take out can be as important as the amount. In general, a college degree remains a good investment.

Other slivers of what passes for good news: While several states had double-digit percentage increases, there were wide variations. Connecticut and South Carolina held under 3 percent.

Roughly half of students are enrolled in nonprofit colleges attend institutions charging under $10,000, and fewer than 1 in 10 attend institutions listing prices over $36,000.

Meanwhile, both community colleges and private four-year colleges reported lower tuition inflation than public universities.

At nonprofit private four-year colleges, tuition and fees were up 4.5 percent to $28,500. Factoring in aid, the average total net cost, including room and board, was about $22,970 — lower than five years ago. At community colleges, where list prices rose 8.7 percent nationally to just under $3,000, net costs are also lower than five years ago, and aid generally covers the whole price.

Still, while net costs are important to note, they don’t tell the whole story. They don’t cover living costs, which for many students are a higher obstacle than tuition,
And the aid dollars that that help lower the average net price don’t always go to the neediest students.

Colleges award merit scholarships. Federal Pell Grants do support the neediest, and spending on them has nearly doubled in the last two years to around $35 billion (9.1 million students got grants averaging $3,828).

But the latest College Board figures highlight a rapid recent increase in indirect government support through tuition and other tax credits, which have reached almost $15 billion. About 12 million people are now taking advantage of tax benefits averaging more than $1,200. And while recent changes make low-income families better able to take advantage of those credits, a growing proportion of the benefit goes to families earning more than $100,000.

The tax credit program, dramatically expanded in 2009, “really changes the story of how the federal government subsidizes students,” said Sandy Baum, the economist who directs the College Board’s reports. The credit is “not so much a middle-income benefit as we’re used to thinking about it.”

Some states are not only cutting their appropriations but not even paying what they’ve promised. Illinois is late on bills worth $500 million to nine campuses this year, where on some campuses tuition and fees are up thousands of dollars.

The percentage increases in California, once widely considered to have the best-value public universities in the world, are so high in part because the base prices of past years were low. Prices there still aren’t high by national standards, but this year for the first time, California’s tuition and fee rates were above the national average. That in 2011 California’s public universities would be cost more than the national average would have been unimaginable to most experts a decade ago.

Hartle and others say this year’s sharp increases came despite the last chunks of stimulus dollars from Washington used to plug holes in education spending. Looking forward, state budgets remain broken and there’s little indication Washington will come riding to the rescue.
“I’m not exactly sure where higher education in the United States is going,” he said. “But I have a feeling California is going to get there first.” Also, on Tuesday, an Education Department official testified to a House subcommittee that personal details of as many as 5,000 college students were temporarily visible to other students on the department’s direct loan web site earlier this month.

The episode lasted 67 minutes on Oct. 12 and happened during a reconfiguration of data on 11.5 million borrowers to improve website performance times, said James Runcie, the Education Department’s federal student aid chief operating officer. Students who logged on during that window saw other students’ personal details. Those who were exposed were notified and offered credit monitoring services. The department said it had no reason to believe any students’ information was misused.
Salvage team to raise Blackbeard's cannon

Researchers hope to raise a one-ton cannon from the wreck of the pirate Blackbeard's ship, which has been on the ocean floor off the North Carolina coast for nearly 300 years.

The Queen Anne's Revenge Project expects to bring the cannon onshore Wednesday. The project, named after the flagship, has been working since 1997 to salvage artifacts from the wreck.

After nearly three centuries underwater, the cannon has become encased in a cement-like shell of sand, salt and aquatic creatures. It could take years for researchers to learn exactly what the shell contains, in addition to the cannon.

"It's like Christmas," project director Mark Wilde-Ramsing said. "During an earlier expedition, one of the concretions actually held two canons and lots of attachments that resembled nuts. We called that one Baby Ruth."

Twelve other recovered canons have yielded gun flints, a sounding weight, crystal wine glass fragment and shackles.

"Four canons were all found to be loaded, with canon shot and wads in place ready to be fired," said Sarah Watkins-Kenney, the project's chief conservator.

Other, less dramatic finds can also aid researchers.

"Remains of rope wrapped around the muzzle of a canon are also intriguing," Watkins-Kenney said. "Materials as fragile as rope rarely survive, so finding this vindicated the cleaning used to carefully excavate the concretion layers, rather than just knock it off to reveal the canon."

The retrieved cannon will be displayed to the public at the state Maritime Museum in Beaufort from 12:30 to 2 p.m. Wednesday. The cannon will then be taken to a laboratory at East Carolina University for further study.
Three recovered canons from Blackbeard's ship are on display at the Maritime Museum in Beaufort, one at the Museum of the Albermarle in Elizabeth City and one at the North Carolina Museum of History in Raleigh.

The Queen Anne's Revenge sank in 1718 after running into a sand bar off Beaufort Inlet. Edward Teach, who took the name Blackbeard, was killed about five months later when he was trapped off Ocracoke by British warships leased by the colonial governor of Virginia to find him.

Intersal, a private research company, found the wreckage of the Queen Anne's Revenge in November 1996 after a decade of matching together witness reports and nautical charts in North Carolina, American and European archives.

The state Department of Cultural Resources, Marine Fisheries Unit and ECU have been working since 1997 to recover the wreckage and artifacts, all of which belong to the state.

Web Editor: Anne Johnson

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DEATH NOTICES

William R. Bamberg

WINTERVILLE — Dr. William Richard “Rick” Bamberg, 57, died Monday, Oct. 24, 2011. A native of Jacksonville, Fla., he was chairman of Clinical Laboratory Sciences in the School of Allied Health at East Carolina University, an associate editor of the National Health Science Journal and owner of Pinewood Plantation in Bamberg, S.C.

The car dealership where Ticknor last worked, making $90,000 a year, is bankrupt, and he is hustling as a day laborer for a temp agency.

**Middle class' share of the nation's income is shrinking**

By Marisol Bello and Paul Overberg, USA TODAY

For Reno car salesman Tim Ticknor, the squeeze on his middle-class existence gradually has turned into a chokehold.

In 2005, he was making more than $90,000 a year selling used cars to people who had moved to the Southwest for its booming economy. It was an income that allowed him to rent a townhouse with his wife and daughter in a gated community.

Over the next six years, as the economy slowed, so did his income. First, it dropped to $70,000, then after a time it fell to $30,000.

Today, the car dealership where Ticknor last worked is bankrupt, and he is hustling as a day laborer for a temp agency. He and his family had to move into his mother-in-law's mobile home because they couldn't afford to pay rent.

Ticknor's story reflects how, across the nation, the middle class' share of the nation's income is shrinking. Reno, which has among the highest rates of unemployment and foreclosures in the United States, is a stark example: The share of income in the metro area that was collected by the middle class fell
from 49.8% in 2006 to 45.8% in 2010, the year after the 18-month recession ended.

A USA TODAY analysis of Census data found the Reno area was among 150 nationwide where the share of income going to the middle class — generally made up of households that make $20,700 to $99,900 a year — shrank from 2006 to 2010. Metro areas where the middle class' share of income dropped outnumbered those where it grew by more than 2-to-1.

"The lower share of income is a way of saying income inequality is growing in the middle," says Paul Taylor, executive vice president of the Pew Research Center, who has studied the shift. "The vast middle has less of the pie than it had before."

Income is shifting to the top tier of households, especially those in the top 5%, Taylor says. The top 5% earn more than $181,000 annually.

In 2010, the top one-fifth of U.S. households collected 50.3% of all the nation's income, up from 49.9% in 2006. The lowest-earning one-fifth of households collected just 3.3% of the nation's income, down from 3.4% in 2006.

That leaves the three-fifths of households in between — a common definition of a broad middle class. It collected 46.3% of the income last year, down from 46.7% in 2006.

Analysts call it the middle-class squeeze.

The data are the latest signs of a trend that dates to the 1970s, says Heidi Shierholz, an economist with the Economic Policy Institute. Back then, 53% of the nation's income went to the middle class.

She says that during the 2000s, households in the middle class began losing ground because their incomes were not growing. The recent recession made it worse as employers cut work hours, furloughed workers, froze salaries or imposed layoffs. At the same time, the value of family assets, such as homes, went down.

"Families are taking substantial losses," Shierholz says. "The really scary thing is, there's no relief in sight."

**A 'humbling' experience**

In Reno, a metropolitan area of 425,000 people, unemployment jumped from 4% in 2006 to 14% last year. Adjusted for inflation, the median income dropped 10% in the same period, to $50,699.

Rows of for-sale signs in every neighborhood and empty storefronts tell the story of a city whose middle class has been hit hard.
Ticknor, 45, says he is one of those casualties.

Six years ago, he was a car salesman, earning close to a six-figure salary that allowed him to afford a two-story condo in a private community. He drove an off-white Dodge Charger with heated leather seats. And his baby girl, Ashlee, "never wanted for anything."

As the recession took hold, fewer people bought cars, and Ticknor felt it in his wallet.

At first, he and his wife cut back on restaurants and movies. As their financial squeeze got tighter, Ticknor and his family moved out of the townhouse in 2008 because they couldn't afford the $1,200 monthly rent. They lived with a relative for a while and last year moved into an $800-a-month duplex.

Then this year, after the car dealership he worked for went bankrupt and he lost his job, they had to leave that apartment and move into his mother-in-law's single-wide trailer.

Along the way, they have sold off their possessions. Today, the sports car is gone; so is much of their furniture. They sold their Apple computer recently for $150.

Ticknor checks in every day at 5:30 a.m. with a temp agency. "You hope they have a job for you," he says. He has worked for minimum wage as a receptionist, cashier and manual laborer.

"The biggest word is humbling," he says. "It does a mental thing on you. I used to make big money. I was like a big shot. …You take it for granted."

In Reno's downtown, bookstore owner Christine Kelly, 49, sees firsthand what the loss of income has meant for the middle class. She says sales are down at least 25% compared with what they were before the recession.

"Those are numbers we'll probably never see again," she says.

She moved her store, Sundance Books and Music, downtown this year because the strip mall where they had been was largely empty.

"There were no other businesses around us," she says. She hasn't given raises in several years, but she has been able to keep all eight of her employees, some of whom have been with her for more than a decade. It's a source of pride for her, but it's meant her own income has gone down. She says she spends less, and when she does buy something she pays cash.

If the economy picked up, the first thing she'd do is give raises.

"And buy myself a new a pair of jeans," she says.

**Middle-income jobs fall**
New Bern, N.C., couldn't be more different from the gambling hub and neon lights of Reno.

Yet like Reno, New Bern — a community tucked into the Neuse River in the center of the state's coastline — saw one of the biggest shifts in the middle class' share of income during the recession of any area with a population of more than 20,000.

The middle class in New Bern collected 51.6% of the income in 2006. In 2010, the share went down to 43.9%.

"The bulk of our middle class are retirees who came from New York or New Jersey, and they retired on fixed incomes and investments," says Mayor Lee Wilson Bettis.

Those investments have suffered because of the volatile stock market, and many of those retirees have had to go back to work, he says.

At the same time, the area's job base, made up in part of manufacturing and trucking, has also been hurt, he says. Large companies such as Hatteras Yachts, which makes luxury boats, and BSH Home Appliances, which makes high-end appliances, have cut hundreds of jobs.

The number of manufacturing jobs in Craven County, where New Bern is located, fell 36% from 2007 to 2010, says James Kleckley, director of the Bureau of Business Research at East Carolina University. By comparison, manufacturing jobs in the state fell by 20% during that time.

"You look at those jobs and most are middle-class jobs," Kleckley says.

Stacy Kendall, 46, found a roommate after she lost her job at a senior citizens center last year. Even though she found another job six months later, she says, the expense of paying for an apartment was too much to keep up with.

So now she shares a house with a mom and her two daughters.

"A lot more people are sharing homes," she says.

She started a support group last year for the unemployed and underemployed. One of those who attends is Russ Whittaker, 49.

He says he, his wife and three children were comfortably middle class. They moved to New Bern in 2005 from Cape Cod, Mass. Their old house sold at a profit, allowing them to pay cash for their $300,000 house. Without the expense of a mortgage, his wife could retire as a teacher; they paid off their car loans and sent their children to private school.

Then last year, Whittaker lost his $46,100-a-year job working as a researcher for the First Church of Christ, Scientist.
"We were looking pretty good," he says. "I had a nice Northern salary in a Southern economy, and without it, it's been hard."

Now, instead of one job, he works five part-time jobs, earning anywhere from a minimum wage of $7.25 to $10 an hour. His wife is working again, too, providing day care for children and working in their church.

Together, they earn about $1,800 a month, Whittaker says.

Their children are still in private school, for now, with help from his father, savings and financial aid from the school.

But the Whittakers have changed their habits. They now shop at the dollar store, where they can buy a name-brand loaf of bread for one-half or one-third of its price at a supermarket.

They used to pay for their children, ages 8, 11 and 14, to take gymnastics classes. Now the children take part in free activities, such as basketball, volleyball and baseball leagues.

They've cut their cable service to only basic channels.

"We are getting by, and we have everything we need," he says. "But it's not what we had before. We've gotten a crash course in the difference between wants and needs."

'Juggling everything I can'

Even in communities that have not seen massive income shifts, the middle class is feeling the squeeze.

In Napa, Calif., known for its fertile valleys, wineries and luxury tourism, Victoria Froelicher frets. The divorced mom has a career as a creative-services supervisor for an agricultural company, making $80,000 a year.

That puts her squarely in the middle class in Napa, where middle-class households earn $26,000 to $121,000.

But Froelicher, 53, finds it more and more difficult to make ends meet. She says she owes about 30% more on her home than it is worth, she has to pay to put her daughter through college, and she cares for her elderly mother.

She pays $2,300 a month on a three-bedroom house she bought in 2007 for $420,000, but is now worth about $285,000.

She also pays $400 a month on a loan she and her daughter took out to help pay for the $17,000-a-year college tuition and room and board.

To bring more money in, she cut her 401(k) contribution from 8% to 1%. 
"I'm juggling everything I can," Froelicher says. "I don't feel I am middle-class. I feel I am lower-middle-class and teetering on poor. If I lost my job, I could see how I could end up homeless."

Froelicher is like a majority of Americans who say they haven't moved forward or have fallen backward in the past five years, says Paul Taylor of Pew Research.

A Pew study of the middle class in 2008 found 56% of Americans felt they either fell behind or haven't progressed, the most downbeat short-term assessment of personal progress in nearly half a century of polling by the center.

In Napa, the median income has gone from $72,136 in 2006 to $64,401 in 2010 when adjusted for inflation. Median housing values have plummeted from $657,300 in 2006 to $424,100 in 2010.

Froelicher rattles off a list of how she makes do: no smartphones, flat screens or Netflix subscriptions. She brings leftovers for lunch, shops at consignment stores when she needs something and refinanced her used-car loan from 4.35% to 2.99%.

"Food costs so much more, and medical, dental and glasses, and everyday expenses," she says.

She's learning to do house repairs herself, using how-to instructions on the Internet. And the molar she cracked that needs a new crown? She says she's flossing and keeping the tooth clean until January when her dental benefits from work kick in again. She used the maximum coverage allowed this year for a root canal.

Froelicher says she always thought by the time she reached her 50s she would be living a comfortable middle-class life and have enough savings for retirement.

"But instead, it seems I have less and less all the time," she says. "There is no safety net or security in my life."

Contributing: Barbara Hansen in McLean, Va., and Jeff DeLong at the Reno Gazette Journal
N.C. State ranks last in the ACC in graduation rates as configured by the NCAA and the federal government.

The NCAA released the data, which measures the six-year graduation rate of all its member schools, on Tuesday. The national NCAA rate eclipsed 80 percent for the first time and showed that athletes who enrolled in 2004 graduated at a better rate than the general student population.

Duke and Boston College shared the lead among the 12 ACC schools with a graduation success rate of 97 percent, followed by Wake Forest (94) and Virginia Tech (91). North Carolina had a GSR of 88 percent.

At 74 percent, N.C. State ranked last in the NCAA-calculated metric, which does not penalize schools for athletes who transfer or leave school in good academic standing.

N.C. State's federal graduation rate was also last in the ACC at 54 percent - the only school in the league under 60 percent. The federal rate was also released by the NCAA on Tuesday.
Duke's athletes led the conference in the federal rate at 81 percent. North Carolina's federal rate was 72 percent.

Second-year N.C. State athletics director Debbie Yow said the school needs to improve to the level of the other public schools in the ACC.

"Our goal is to achieve graduation rates similar to our ACC peer programs and I have every confidence that will happen," Yow said.

Maryland, where Yow was previously the AD, had a GSR of 82 percent, eighth in the ACC, and a federal rate of 75 percent, fourth in the ACC. Maryland's federal rate was tops among the ACC's seven public schools.

**Coaching changes contribute**

In the two main revenue sports, N.C. State ranked 10th in football (56 GSR) and seventh in men's basketball (67 GSR).

The Wolfpack made a coaching change in football after the 2006 season, replacing Chuck Amato with Tom O'Brien. Of the 18 football players who were signed by Amato in '04, only 11 were still on the team four years later and not all graduated.

O'Brien was the coach at Boston College in 2004. BC's football team, in a tie with Duke, led the ACC with a GSR of 93 and had a federal rate of 87 percent, also tops in the conference.

N.C. State has had two coaching changes in men's basketball since 2004. In the three-man freshman class for the basketball team, Andrew Brackman left school early to play pro baseball and Cedric Simmons left early for the NBA.

Carrie Leger, N.C. State associate athletics director for academics and student services, said coaching changes, in general, contribute to lower rates.

"Our biggest challenge is retention," Leger said. "We have the support we need in terms of staffing and tutors. What we're working on is finding the students who are committed to be at N.C. State and helping them stay connected with the community."

**Wrestling is last**

Of N.C. State's 19 varsity sports, the rifle, softball, women's tennis and women's golf teams each had a GSR of 100. Baseball (58), football (56) and wrestling (50) had the three lowest rates.

Leger said there are two main ways the school is working to improve its graduation numbers: Identifying a better fit with athlete and school in the
recruiting process and following up with athletes after they have exhausted their eligibility.

Yow has been proactive with the individual coaches during the recruiting process, Leger said. They are also evaluating how they distribute scholarships. Any athlete who receives some form of aid counts toward the NCAA rate.

Yow and Leger have also reached out to former players who have left school without graduating, to help them work toward their degree, which could help the rates of the next class.

Yow expects a 10 percent jump in next year's numbers.

The 2004 class consisted of 81 athletes in 19 sports, and 44 graduated in the six-year window, Leger said.

"If 10 more can graduate, we're much closer to where we need to be," Leger said.

Nationally, the GSR bumped to 82 percent - topping 80 percent for the first time, although this is the first time the NCAA has used the Ivy League schools in its calculation.

The federal rate hit 65 percent for athletes, compared to 63 for all other college students.

The Associated Press contributed to this report.

Giglio: 919-829-8938

**ACC Graduation Rates**

Six-year graduation rates for ACC schools and athletic departments, as released by the NCAA on Tuesday. Rates reflect the class that entered school in 2004. The FGR refers to the federal graduation rate, and the GSR refers to the NCAA-calculated graduation success rate that does not penalize schools when athletes are in good academic standing when they transfer or leave school:
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College prices up again as states slash budgets

JUSTIN POPE - AP Education Writer

As President Obama prepared to announce new measures Wednesday to help ease the burden of student loan debt, new figures painted a demoralizing picture of college costs for students and parents: Average in-state tuition and fees at four-year public colleges rose an additional $631 this fall, or 8.3 percent, compared with a year ago.

Nationally, the cost of a full credit load has passed $8,000, an all-time high. Throw in room and board, and the average list price for a state school now runs more than $17,000 a year, according to the twin annual reports on college costs and student aid published Wednesday by the College Board.

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"The states cut budgets, the price goes up, and the (federal) money goes to that," said Patrick Callan, president of the National Center for Public Policy and Higher Education. "For 25 years we've been putting more and more money into financial aid, and tuition keeps going up. We're on a national treadmill."

Nonetheless, President Obama planned to announce a series of steps to help with one of the consequences of rising college prices: student debt. This year total outstanding student loan debt has passed $1 trillion, now exceeding credit card debt. And concerns about student loan debt have been front and center with many of the Occupy Wall Street protesters.

Obama will use executive authority for two loan-relief measures. First, he will move up the start date - from 2014 to 2012 - of a plan Congress already passed that reduces the maximum repayment on federal student loans from 15 percent of discretionary incomes to 10 percent. The White House says about 1.6 million borrowers could be affected, and that remaining debt would be forgiven after 20 years, instead of 25.

The administration also will allow 5.8 million borrowers with outstanding loans from two federal programs - direct lending the Family Education Loan Program - to consolidate into a direct loan, potentially saving some borrowers hundreds of dollars per month.

Those changes may not help new borrowers much, but they could put cash in the pockets of millions still paying back their loans. They also could encourage more borrowers to take advantage of the income repayment options that are already in place, but not widely known. Finally, by consolidating into direct lending, more could qualify for that program's public service loan forgiveness, which can forgive debts after just 10 years of repayments for people working in nonprofit or public service jobs.

In the College Board's latest price report, some of the increase was driven by huge increases at public universities in California, which enrolls 10 percent of public four-year college students and whose 21 percent tuition increase this year was the largest of any state.

But even without California, prices would have increased 7 percent on average nationally - an exceptional burden at a time of high unemployment and stagnant family incomes.

Terry Hartle, senior vice president at the American Council on Education, which represents colleges in Washington, said the cause of the price increases for the 80 percent of college students who attend public institutions
is clear. State appropriations to higher education declined 18 percent per student over the last three years, the College Board found, the sharpest fall on record.

"To see increases of 20 percent, as we saw in California, to see gains of 15 percent in other states, is simply unprecedented," Hartle said. "Tuition is simply being used as a revenue substitute in many states."

The College Board reports roughly 56 percent of 2009-2010 bachelor's degree recipients at public four-years graduated with debt, averaging about $22,000. At private nonprofit universities, the figures were higher - 65 percent and around $28,000. Those figures are likely to rise, though private borrowing - usually more dangerous than government loans - has been falling.

"Psychologically, practically, it's a big number, and it will inform important choices, like when and whether you buy a home, start a family, save for retirement or take the risk of starting a new business," said Lauren Asher, president of The Institute for College Access and Success, who also applauded the Obama announcement.

And Asher and other experts emphasize that the types of loans students take out can be as important as the amount. In general, a college degree remains a good investment.

Other slivers of what passes for good news: While several states had double-digit percentage increases, there were wide variations, and Connecticut and South Carolina held under 3 percent. Roughly half of students are enrolled in nonprofit colleges attend institutions charging under $10,000, and fewer than 1 in 10 attend institutions listing prices over $36,000.

Meanwhile, both community colleges and private four-year colleges reported lower tuition inflation than public universities.

At nonprofit private four-year colleges, tuition and fees were up 4.5 percent to $28,500. Factoring in aid, the average total net cost, including room and board, was about $22,970 - lower than five years ago. At community colleges, where list prices rose 8.7 percent nationally to just under $3,000, net costs also are lower than five years ago, and aid generally covers the whole price.

Still, while net costs are important to note, they don't tell the whole story. They don't cover living costs, which for many students are a higher obstacle than tuition, especially if they can't work as much while enrolled.
And the aid dollars that help lower the average net price don't always go to the neediest students.

Colleges award merit scholarships. Federal Pell Grants do support the neediest, and spending on them has nearly doubled in the last two years to around $35 billion (9.1 million students got grants averaging $3,828).

But the latest College Board figures highlight a rapid recent increase in indirect government support through tuition and other tax credits, which have reached almost $15 billion. Around 12 million people are now taking advantage of tax benefits averaging more than $1,200. And while recent changes make low-income families better able to take advantage of those credits, a growing proportion of the benefit goes to families earning more than $100,000.

The tax credit program, dramatically expanded in 2009, "really changes the story of how the federal government subsidizes students," said Sandy Baum, the economist who directs the College Board's reports. The credit is "not so much a middle-income benefit as we're used to thinking about it."

Some states are not only cutting their appropriations but not even paying what they've promised. Illinois is late on payments worth $500 million to nine campuses this year.

The percentage increases in California, once widely considered to have the best-value public universities in the world, are so high in part because the base prices of past years were low. Prices there still aren't high by national standards, but this year for the first time, California's tuition and fee rates were above the national average. That in 2011 California's public universities would be cost more than the national average would have been unimaginable to most experts a decade ago.

Hartle and others say this year's sharp increases came despite the last chunks of stimulus dollars from Washington used to plug holes in education spending. Looking forward, state budgets remain broken and there's little indication Washington will come riding to the rescue.

"I'm not exactly sure where higher education in the United States is going," he said. "But I have a feeling California is going to get there first."

Also, on Tuesday, an Education Department official testified to a House subcommittee that personal details of as many as 5,000 college students were temporarily visible to other students on the departments' direct loan web site earlier this month.
The episode lasted six or seven minutes on Oct. 12 and happened during a reconfiguration of data on 11.5 million borrowers to improve website performance times, said James Runcie, the Education Department's federal student aid chief operating officer. Students who logged on during that window saw other students' personal details. Those who were exposed were notified and offered credit monitoring services. The department said it had no reason to believe any students' information was misused.

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President to Ease Student Loan Burden for Low-Income Graduates

By TAMAR LEWIN

President Obama will announce new programs Wednesday to lower monthly loan payments for some students graduating next year and thereafter and to let borrowers who have a mix of direct federal loans and loans under the old Federal Family Education Loan Program consolidate them at a slightly lower interest rate.

At a press briefing Tuesday afternoon, Melody Barnes, director of the Domestic Policy Council, said the president would use his executive authority to expand the existing income-based repayment program with a “Pay as You Earn” option that would allow graduates to pay 10 percent of their discretionary income for 20 years and have the rest of their federal student loan debt forgiven. That plan would start next year.

Most of the 450,000 low-income student-loan borrowers currently enrolled in income-based payment must pay 15 percent of their discretionary income for 25 years before having their debt forgiven, although terms are easier for those in public service.
The lower caps of the new program were scheduled to go into effect for new borrowers in 2014, but, Ms. Barnes said, “because we know the frustration of crushing loan burdens, we have to act now.”

Ms. Barnes noted that over the last month, more than 30,000 people had signed a petition on the We the People platform at whitehouse.gov, asking for relief on student debt.

“It’s a message heard loud and clear,” she said.

The high cost of college and the growing debt burden of student loans have become increasingly potent political issues in recent years, high on the agenda of Occupy Wall Street and related protests across the country.

And the annual College Board reports on college prices and student aid, to be released Wednesday, make it clear that with the weak economy, the college affordability problem is getting worse.

At public universities and community colleges, costs for the current academic year increased more than 8 percent, lifted in part by steep tuition increases in California, according to the “Trends in College Pricing 2011” report.

While California’s whopping increases — 21 percent at the four-year universities and 37 percent at the community colleges — were extreme, declining state support for higher education has brought hefty tuition increases at many public universities nationwide. Arizona and Washington, for example, increased their in-state tuition and fees by 17 percent and 16 percent.

This is the fifth consecutive year in which the public universities that serve most students raised their tuition at a faster rate than the far more expensive private universities. And over the last three decades, the report found, the average tuition at four-year state universities almost quadrupled.

“It is not surprising, but we do have issues we have to face,” said Sandy Baum, the economist who is co-author of the report. “Families are struggling because their incomes are not increasing, but states are struggling too.”

Adjusted for inflation, state appropriations per full-time student are about 23 percent lower than they were a decade ago.

“Families and students are paying more but they’re getting less,” said Jane Wellman, executive director of the Delta Cost Project, “because what we’re willing to invest in this generation is less than what we were willing to invest in my generation.”
At Tuesday’s press briefing, Secretary of Education Arne Duncan estimated that the debt-consolidation program could help 6 million borrowers who carry both direct federal loans and loans made under the Federal Family Education Loan program, which ended last year. Under that program, private lenders received federal subsidies to make federally guaranteed loans to students; despite lobbying by the banking industry, the Obama Administration killed the program, redirecting billions of dollars of subsidies into expanded Pell grants for low-income students.

Between January and June, Mr. Duncan said, borrowers making payments on both kinds of loans can consolidate them and get a half-percent interest-rate cut. The savings to pay for the lower loan rate, he said, would come from the lower cost of administering the combined loan.

Further information on the new programs will be available at 1-800-4fedaid (1-800-433-3243) or studentaid.ed.gov.

The Obama administration has taken other steps toward college affordability. The American Opportunity Tax Credit, introduced in 2009, expanded the tax benefits for college costs. According to the College Board’s new “Trends in Student Aid 2011,” report, higher education tax credits and deductions grew to $14.7 billion in 2009, from $6.6 billion in 2008. People with adjusted gross incomes of $100,000 to $180,000 got 26 percent of those tax savings, compared with 18 percent a year earlier. At the other end of the spectrum, the credits are available even to those who owe no taxes.

According to the College Board, average in-state tuition at public universities this year is $8,244, up from $7,613 last year; with room and board, the average total charge is $17,131, up from $16,162 last year. But the averages mask enormous variation from state to state: the University of New Hampshire’s tuition is more than $13,500, compared with $2,600 in Puerto Rico and $4,100 in Wyoming.

At private nonprofit four-year colleges, the average tuition is $28,500 this year, a 4.5 percent increase on last year’s $27,265. With room and board, the average total charges are $38,589, up from $36,971 last year. And at community colleges, the average tuition and fees are $2,963, up 8.7 percent from last year’s $2,727.

Only about a third of full-time students pay for college without some grant aid, whether in the form of a federal Pell grant, a state scholarship or aid from the college itself.
Net tuition—the amount a student actually pays, after grants and tax savings—is often sharply lower than the published price. In fact, the College Board report said, net tuition at community colleges was low enough that, when grants and tax savings are taken into account, the average student can pay nothing out of pocket and have $810 left over for books and living expenses.

This year, the report said, full-time students at state universities receive an average of about $5,750 in grants and tax benefits, while students at private nonprofit colleges get about $15,530 and those at community colleges about $3,770.
Indiana University might discount summer tuition

By Jenna Johnson

Amid the gloomy news of the ever-climbing cost of college (more than 100 schools now charge more than $50,000 per year) and ever-growing student loan debt (the national total is about to hit $1 trillion), a handful of colleges are trying something different: lowering tuition rates.

Indiana University leaders want to cut the price of summer courses on all seven campuses starting next year. In-state undergraduates would receive a 25 percent discount, and out-of-state students would have the equivalent dollar figure deducted from their bill. The plan, which was announced at a news conference Monday, still needs approval by the board of trustees later this week.

At IU’s regional campuses, students taking a full load of summer classes could save more than $700 a year. Students in Bloomington and Indianapolis could save more than $1,000. IU President Michael A. McRobbie said in a statement that the discount will help students stay on track for graduation or earn their degree in less than four years.

“I am confident this will help us graduate more students in less time and allow our graduates to leave IU with less debt as they start their careers,” he said.

Other schools are also experimenting with cutting costs in creative ways: This fall the University of the South, better known as Sewanee, lowered its total price by 10 percent and changed its financial aid structure to better target students in need. Seton Hall University will soon reduce its tuition rate of more than $30,000 by two-thirds for students with strong academic credentials who apply early.

Often, “tuition cutting” at private schools doesn’t result in much savings for the average student, who already pays much less than the advertised rate. Last year, the average private school student paid less than 60 percent of what his or her college publicly charged. At public institutions, the advertised tuition rates are usually much closer to the price most students pay.
In the last few years at IU, less than 40 percent of the student population took at least one summer class — meaning that university facilities are not being efficiently used year-round.

“For public universities to thrive and grow in these challenging times, we have to be willing to re-examine everything we do with an eye toward finding efficiencies and adapting to the needs of our students,” McRobbie said in a statement.

The Indianapolis Star reports that the “rising cost of college has been a hot topic in Indiana as more and more students graduate with sky-high debt but no jobs.” At the state’s public colleges and universities, tuition has jumped more than 300 percent in 20 years, according to the newspaper, and state lawmakers have been pushing for financial relief for students.