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## Colleges Reduce Out-of-State Tuition to Lure Students

By [JONATHAN D. GLATER](#)

HAYWARD, Calif. — [California State University](#), East Bay, has never had the cachet of nearby Berkeley. But it has a great location overlooking the San Francisco Bay and aspires to raise its profile and grow.

So starting this year it is trying something different to lure applicants: participating in a regional program resulting in lower tuition for students from Washington, Oregon, Montana and a dozen other Western states.

“With the changing world, a lot of these national borders or state borders, to what extent are they still relevant?” said East Bay’s president, Mohammad H. Qayoumi, brushing aside questions about whether a regional public campus supported by California taxpayers should be soliciting out-of-state students.

“You should not get into protectionism in this,” Mr. Qayoumi added, explaining his goal to create a university that is “really a microcosm of the world.”

Flagship public universities have long sought a national student body in their quest for the best students and a reputation for excellence. Public campuses in states with shrinking populations have also looked to out-of-state students. But now more state universities appear to be doing so — and reducing the differential between in-state and out-of-state tuition to be more appealing.

In part, they are motivated by the desire to raise more money as state support for higher education has languished. Even at universities that are cutting their prices for out-of-state students, which can be triple tuition for state residents, nonresidents still generally pay 50 percent more.

Still, some see the trend as a worrisome shift in the mission of the public university.

“We should be watching it, particularly if it involves any diminishing opportunity to go to a state university for in-state students,” said Patrick M. Callan, president of the National Center for Public Policy and Higher Education in San Jose, Calif.

Mr. Callan added that it might be difficult to tell when such crowding out had occurred, because an institution could simply raise admission standards. “It’s what all campuses will do, public or private, to raise revenue, raise prestige,” he said.

Some universities look just across the border for students. The [University of Nebraska](#) at Omaha will discount out-of-state tuition this fall to students from nearby Iowa counties. The [University of Tennessee](#) at Chattanooga last year began allowing most college juniors and seniors from Alabama and Georgia to pay in-state tuition plus just 25 percent of the higher, nonresident rate, or \$3,776.25 per semester instead of \$7,512.

In several states, including Arkansas, Kentucky and Missouri, public universities have tried to attract nonresidents by charging them lower tuition if they meet minimum scores on tests like the SAT or ACT. Such tactics can help a college raise its academic standing.

In some states, cuts in tuition for out-of-state students have led to political battles. After the [University of Wisconsin](#) system in 2006 reduced out-of-state tuition by an average of nearly \$2,000 at all its campuses except the Madison flagship — a move that followed years of tuition increases — the issue became a hot topic in the governor's race. The debate still percolates.

"We should tip the scales toward home-grown resources, rather than cutting tuition for out-of-staters," State Senator Ted Kanavas, a Republican, said in a telephone interview. "A student who may have grown up on a family farm who attends the University of Wisconsin and gets an advanced degree from the University of Wisconsin is more likely to stay here, more likely to build a company, more likely to build value for our state."

College officials counter that a more diverse student body is a benefit and that nonresident students, because they still pay more than residents, actually subsidize home-state students.

"The tuition that a nonresident student pays not only covers the cost of that student's education but it actually produces a profit, if you want to call it that," said Mark Bradley, president of the Wisconsin system's board of regents. "We're able to use the profit that we make on the out-of-state students to have more state funds to educate more Wisconsin students."

In the five years before the regents cut tuition, Mr. Bradley said, Wisconsin lost about 900 nonresident students, which cost the system \$13 million a year in revenue.

University officials acknowledge that their use of pricing to attract out-of-state students is a break from the past. "This is a very unique philosophical shift," said Don Betz, chancellor of the University of Wisconsin-River Falls.

The University of South Dakota cut nonresident tuition to 150 percent of the in-state rate two years ago, a strategy to keep enough people on its campuses. Declines in the state's high school population had led to empty campus buildings; at one campus, two dormitories were closed.

"We're just trying to work at every angle to stem that change," said Patrick Schloss, president of Northern State University in Aberdeen, S.D., adding that one dorm had reopened since the change in tuition policy.

Some reduced tuition arrangements have existed for years, either through bilateral arrangements between states or through regional compacts.

California, for example, has long belonged to the Western Undergraduate Exchange, in which 15 states participate. But recently more public college campuses, like Cal State East Bay, are participating. For the coming year, nonresident tuition at the university is \$11,481 a year, while California residents pay \$3,345, and students in the exchange program will pay \$4,731.

The newcomers to the compact say they want to grow. California State University, Dominguez Hills, also just joined.

“We felt that we might be a very attractive campus if you’re sitting in Idaho in 10 feet of snow,” said Margaret R. Blue, dean of undergraduate studies at Dominguez Hills.

At Cal State East Bay, Mr. Qayoumi acknowledged that he had to watch the balance of in-state and out-of-state students to ward off backlash by local taxpayers. But he said his campus had room to expand and was nowhere near an imbalance. The university has just over 13,000 full- and part-time students, and as of fall 2007, just 150 are from other states; many more are from other countries.

“That very strong regionalism that existed looked for winners and losers, a zero-sum game,” Mr. Qayoumi said. Making it easier for more students to attend, he said, “makes the pie bigger.”

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