

Richmond Morning News – With Jimmy Barrett 1140 WRVA

Jimmy Barrett: Getting to graduation costs – let's face it a lot of money.

There are a lot of concerns with parents these days because federal funding seems to be getting a little bit less and we are told state funding could be going in the same direction, which means there's less scholarship money available out there for higher education.

Here to discuss it with us is Dr. Patricia Cormier – President of Longwood College.

Jimmy Barrett: Good Morning Ms. Cormier.

Patricia Cormier: It's Longwood University, we've grown up now.

Jimmy Barrett: That is right. Sorry, it's old habits that die hard. As long as you brought it up, technically what is the difference between a college and a university?

Patricia Cormier: Generally speaking, a university is an institution that has graduate programs. A university has a certain number of graduate programs, and graduates certain amount of people at the graduate level. Longwood University now graduates more people in graduate programs so therefore we've become a university.

Jimmy Barrett: And it sounds cooler too.

Patricia Cormier: Yeah.

Jimmy Barrett: Let's talk a little bit about scholarship money, as far as what's going on. We've heard you're getting a little squeezed from both the state and federal levels.

Patricia Cormier: Well it is a big problem. Here in Virginia we are facing what is called a deficit in base adequacy funding, and what that really means is, what does it take for universities in the commonwealth to actually do their work? Several years ago there was a joint commission by the House and the Senate and they determined what the base adequacy level ought to be for every institution depended upon their program mix. The deficit for the state of Virginia is \$377 million dollars and that is growing. Now again I think the governor and the general assembly is trying to do their best, but we're still facing that deficit. At Longwood the deficit for us annually is almost \$6.5 million dollars.

Jimmy Barrett: And of course if you're behind falling behind by \$6.5 million dollars, I guess you have one of two choices. You either find some way to make cuts either in other programs, or the aspects of money being spent at the university or you end up charging the students more and higher tuition, correct?

Patricia Cormier: That is precisely what is happening, and we are now facing what we believe is going to be a deficit from the federal government as well. Some of you may have heard that there is a major cut in the federal budget for financial aid - it's over 12 billion dollars - what that will mean is roughly about \$2,000 less per student and that actually impacts on the most needy students.

Jimmy Barrett: Now, the president had to handle that hot potato at a press conference here this last weekend. He didn't have a real easy time answering the question did he?

Patricia Cormier: Well not only that, but he said it wouldn't impact students and fundamentally that is not the case.

Jimmy Barrett: Yeah your right, he said the program hasn't been run efficiently and we're going to save that money by running it more efficiently, and this money will not come out of the pocket of students. You disagree with that obviously.

Patricia Cormier: I do, I do disagree with that, we've actually done the analysis, we know there is going to be an impact on that, so you combine that with what's happening with diminishing resources at the state level and that's fundamentally a problem for students. I think it's also important to understand that what you want in America is an educated student. Educated students - people with degrees, earn more money, pay more taxes, fuel the economy. What you want to do is not cut off your nose despite your face if so to speak. Which again is diminishing the support for these students, in order for them to finish a degree, and we want students to finish.

Jimmy Barrett: You know, we've said many times here on this program, and I'll assume you'll probably agree with me on this one. A college diploma at this point in time, is roughly equivalent to what a high school diploma was in the work force say 20 to 30 years ago. In other words it means the same thing to an employer as a high school diploma use to mean. That is sort of a minimum education requirement for a lot of people these days.

Patricia Cormier: Absolutely, and that includes the community college students, and remember even if your graduating from a community college, lets say with a trade degree you're still earning more than a person who only has a high school diploma. So, what you want to be able to do is to provide the dollars that will support those students over time. And what you don't want is to leave them with loans that they find difficult to pay back, because the other thing that is happening out there is a movement now under foot that actually raises the interest rate on student loans over time with a fixed rate rather than a variable rate. That also portends for some problems with students, under this new law that is coming forward under the federal government. What you're now looking at is students potentially; lets say a student borrows \$20,000 they would have to be paying \$2,000 more in interest on those loans and parents loans which are the ones that parents pay while students is going through school will be paying \$3,000 more per interest. So you combine all of those factors and what it means for higher education are some serious deficits in funding that would help students.

Jimmy Barrett: I know you've heard this before Dr. Cormier, but there are those who believe that universities have not been as frugal with the dollars they need to be in order to hold their costs back. Please tell, is there something schools like Longwood and other universities are attempting to do, in order to save money and to cut costs where they can, to contribute their part to this?

Patricia Cormier: Well, first of all I think it's important to understand that we are a business like any body else. We have to be certain that what we are charging students, is frankly a market rate that students can afford. So every institution in the commonwealth and the country is looking at trying to hold down costs. Some of the things that we are trying to do is, for example, we are doing more courses online and that is particularly helpful for working adults who can't come to school and sit in a class room lets say for 15 hours per week in order to take five courses, they can take these online. In general, those courses are less expensive than the courses you would be taking on campus, that's one. The other is all other kinds of efficiencies in terms of the way we operate our business, the kinds of money we spend on fuel, the kinds of money we spend to operate our facilities, we are all looking for ways in which we can manage those resources better. Many of us have outsourced our programs, we've had other businesses helping to take over some of those and again that reduces the costs for us. But no matter what any body says costs are rising, I wish I could tell you I am spending less now for a bottle of milk than I spent fifty years ago, that's not the case.

Jimmy Barrett: Yeah, the tuition is not going to go down, that much we're fairly certain. That was Dr. Patricia Cormier, thank you.