

Senator eyes end to tuition tax breaks

By TIM RICHARD
STAFF WRITER

One key senator is taking a very hard look at Michigan's income tax credit for college tuitions, hinting it should go.

"It looks like it's robbing Peter to pay Paul," said Sen. John J.H. Schwarz, R-Battle Creek, chair of the Appropriations subcommittee on higher education budgets.

"Maybe after the election, when we're all objective again," he said as his panel listened Feb. 20 to its first testimony from university presidents in Ann Arbor.

In tax year 1995, Michigan gave \$8 million in income tax credits to families paying tuition to 27 public and private colleges.

But by tax year 1998, tax credits will quadruple to \$35.3 million to families of students in 37 colleges.

In that time, legislators have engaged in a bidding war to win taxpayer favor. The first tax credit in 1995, sponsored by Sen. Loren Bennett, R-Canton, was limited to \$250 per student — 4 percent of tuition and fees — in families with a household

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income below \$200,000. Currently the credit is up to \$375 per student — 8 percent of tuition and fees — to a larger group of families, those with adjusted gross income below \$200,000.

Big winners this year will be families with students attending private colleges. Most will get tax credits of \$250 per student. Credits for public community college students will be around \$70 apiece; and for public universities, \$150 or less (except for the University of Michigan and Michigan State).

This December may be the time to kill the tuition tax credit, Schwarz figures, because many families will lose it anyway. The tax credit is allowed only for students who attend colleges that keep tuition hikes below 2.5 per-

cent, the official inflation cap in the consumer price index.

"There may not be anybody qualifying with a state appropriate at 1.5 percent (increase) and upward pressure on tuition," Schwarz said.

College officials agree they'll have a tough time holding tuition hikes below 2.5 percent because Gov. John Engler is proposing an across-the-board 1.5 percent increase in state aid to \$1.46 billion from the current \$1.44 billion.

Schwarz argues that \$35 million could be put to better use by boosting general fund aid to universities. "Is the tuition tax credit appropriate public policy?" he asked one witness after another.

"It wouldn't be my first choice," said Jay Wortley, economist with the Senate Fiscal Agency.

University of Michigan President Lee Bollinger said, "We'd have to raise tuition by 5.6 percent" to raise U-M's total revenues by 3.7 percent, the amount personal disposable incomes are rising statewide.

Added Dr. James Renick, chancellor of U-M Dearborn: "If state appropriation increases are at or below the rate of inflation, 1996-98 student tuition and fees are expected to increase in the range of 6 percent or higher."

Renick said the Dearborn campus' growth in master's degree enrollments, new technology and deferred maintenance are pushing costs above the CPI rate, though some is being offset by private and corporate gifts.

A similar 6 percent tuition hike was predicted by U-M Flint Chancellor Charlie Nelms.

For fiscal year 1998 (beginning Oct. 1, 1997), tuition tax credits cost the state \$19.2 million.

The Senate Appropriations subcommittee on higher education will meet at 10 a.m. Monday, March 2, in Oakland University's Meadowbrook Hall, Rochester. Northern Michigan University is scheduled at 10 a.m., Wayne State at 10:30, Michigan Tech at 11 and Oakland University at 11:30.

State Treasury Department estimate costs by college

PUBLIC UNIVERSITIES

- Michigan State — \$207 per student; total of \$4.9 million.
- U-M Ann Arbor — \$250 per student; total of \$3.3 million.
- U-M Dearborn — \$169 per student; total of \$783,000.
- Wayne State — \$152 per student; total of \$1.9 million.
- Oakland U and four others — not eligible.
- Total: \$13.9 million to 10 universities.

COMMUNITY COLLEGES

- Oakland CC — \$60 per student; total of \$1 million.
- Schoolcraft — \$68 per student; total of \$383,000.
- Wayne CCC — \$71 per student; total of \$443,000.
- Washtenaw — \$70 per student; total of \$312,000.
- Henry Ford, Lansing and 13 others — not eligible.
- Total: \$4.3 million to 13 community colleges.

PRIVATE COLLEGES

- Cleary — \$250 per student; total of \$218,000.
- Detroit College of Business — \$250 per student; total of \$995,000.
- William Tyndale — \$250 per student; total of \$150,000.
- Total: \$4.2 million to 14 private colleges.

Conference focuses on kids at risk of violence

How do critical events such as the recent shooting deaths of a Rochester sibling and a Pontiac 11-year-old negatively impact the development of children? What can parents tell their children?

A day-long conference sponsored by the Oakland County Council for Children and Adults, with Psychiatric Disabilities will explore these questions and offer strategic interventions for at-risk children and adolescents.

"What we want to do is identify the risk factors that may lead to sociopathic or other maladaptive behaviors," said Elizabeth Boyce, chair of OCAP. "And then to develop some proactive strategies for dealing with these kids."

The keynote will be given by Ann Burgess, R.N., Ph.D., an internationally-renowned author and lecturer who will discuss how early critical events may lead to sociopathic behaviors later in life. Dr. James Dillon, of the University of Michigan, will discuss how young children react to stressors and Dr. Joel Young will look at its impact on adolescents. Jack Kresnak of the Detroit Free Press' Children First will offer community views.

The cost of the conference is \$65 and includes breakfast, snacks and lunch. Continuing education credits have been applied for.

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