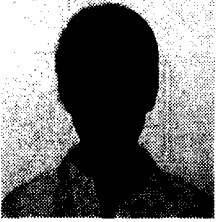


Tuition increase sends students searching for alternative loan sources

By RACHEL SHEPHERD
Capital Times Staff Reporter



If you are a college student in Pennsylvania, you have probably heard of or dealt with PHEAA- Pennsylvania Higher Education Assistance Agency. PHEAA allocates billions of dollars in grant and loan money each year to assist students in the costs of education. However, the amount of grant money they distribute has a limit, while tuition rates continue to rise.

Penn State University is among the many schools raising tuition.

The tuition went up 13.5 percent in the 2002-03 school year. Upper-division students, the thrust of students at the Capitol Campus, saw an increase of \$502 per semester while graduate students paid an additional \$534 per semester. PHEAA is only allowed to lend up to \$5,500 per year to each student and no more than \$23,000 over the course of an undergraduates education.

This has caused some Penn State students to go elsewhere to find the money to finance their education. Shari Hatcher, accounting major, said, "I had to take out a bigger loan [this year]." Mike Behney, communications major, said he does not even bother with PHEAA to pay tuition as high as Penn State. "I loan money from my local bank," he said. "and I still don't have to pay loans back until after graduation. It was easier [to go to the bank] because I had loans for cars and other things already."

Carolyn Julian, Penn State Capital College student aid advisor, called herself the "troubleshooter" for students. She said while her direct affiliation with PHEAA is limited, she has insight as to how things work and who to contact for grant and loan questions. "Unfortunately tuition increases and aid increases have not increased at the same pace," she said. "I am experiencing more and more students turning to alternative loans for funding."

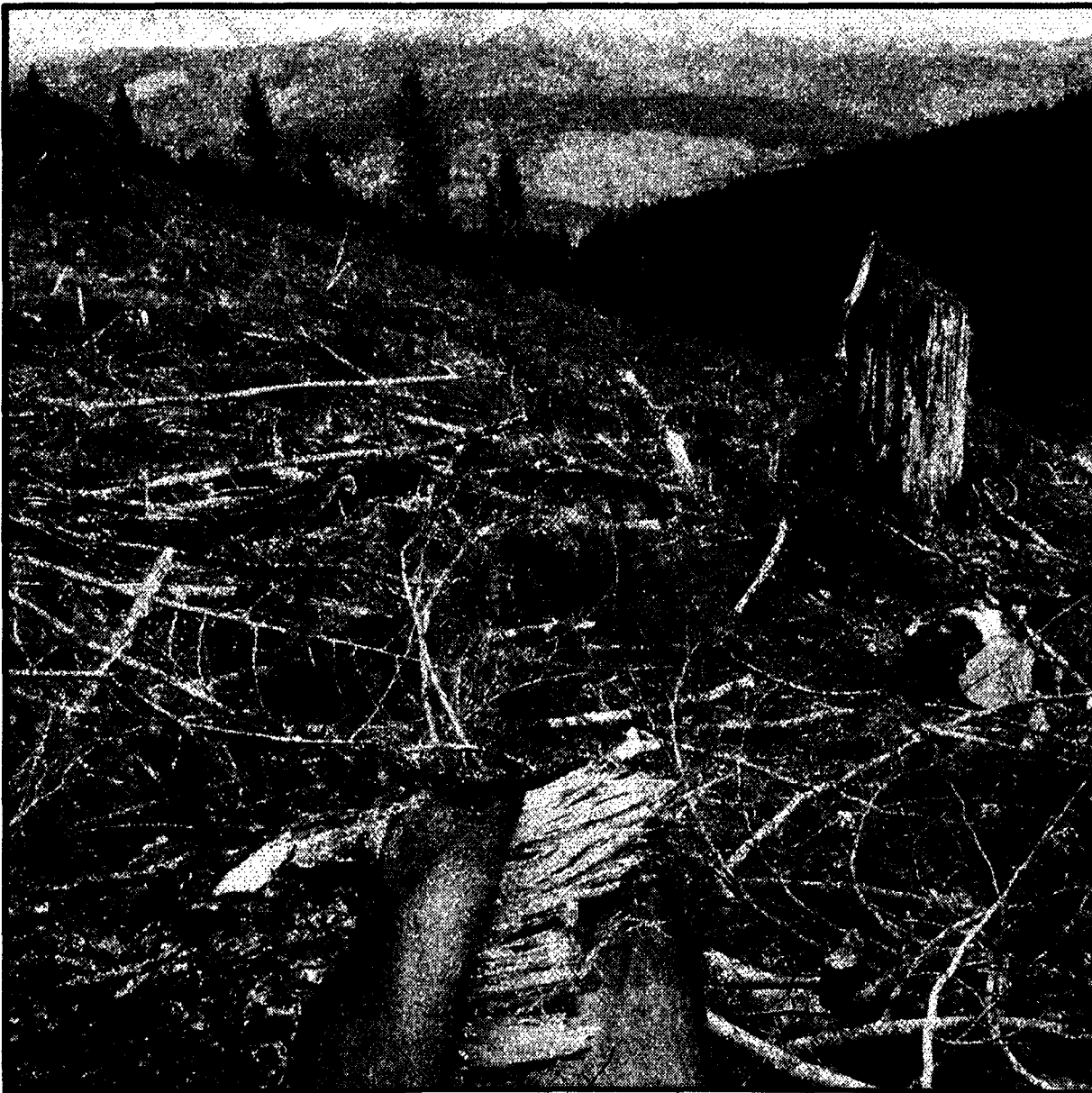
Fortunately, student enrollment has not appeared to decline. Julian said she did not see a sufficient drop in student enrollment due to the increase in tuition. "If there is a decline, and I don't think there is, it's due to 'other reasons'," she said. She explained that the most decline she has seen this semester is due to reservists going overseas.

Students at other schools within the state said that PHEAA covered the costs of their tuition and even gave some students money back. At Indiana University of Pennsylvania (IUP), the cost of undergraduate tuition is \$2,189 per semester, nearly half the cost of the tuition at PSU. Matthew Kegg, history education major at IUP, said, "The money I received was more than adequate to fulfill my educational needs." Kegg explained that he was able to pay for his books, supplies and even his car insurance with the refund he received from PHEAA.

Harrisburg Area Community College (HACC) students already receive a break from the local school districts, which assist in paying a portion of the tuition. The average cost for tuition of a sponsoring school district student is about \$1,700 a semester. However, due to the rising costs of tuition at Penn State, some students have opted not to transfer to Capitol Campus.

Ashley Fisher is among them. Fisher, who will attend Millersville University next spring, considered taking a semester of classes at Penn State. However, the cost of PSU changed her plans. "With the cost being over four grand a semester, I think I will stay at HACC until next spring when I am ready to go to Millersville." Fisher also said the grants and loans she received from PHEAA were adequate in paying tuition and even some of her bills.

While PHEAA is among the nation's top three school lenders, they still have trouble keeping up with the ever-increasing tuition rates. Julian said this is a concern. "Their loan debt is increasing more and more," she said. "I hope students will be in a position to handle this debt when they graduate."



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