

News

Pennsylvania amongst lowest for tuition increases

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As students around the country anxiously wait for college acceptance letters, their parents are sweating the looming tuition bills at public universities.

Florida college students could face yearly 15 percent tuition increases for years, and University of Illinois students will pay at least 9 percent more. The University of Washington will charge 14 percent more at its flagship campus. And in California, tuition increases of more than 30 percent have sparked protests reminiscent of the 1960s.

Tuition has been trending upward for years, but debate in statehouses and trustee meeting rooms has been more urgent this year as most states struggle their way out of the economic meltdown.

The College Board says families are paying about \$172 to \$1,096 more in tuition and fees this school year. The national average for 2009-2010 is about \$7,020, not including room and board, according to the nonprofit association of colleges that oversees the SATs and Advanced Placement tests.

Mike Sarb, a University of Illinois senior from suburban-Chicago Elk Grove Village, Ill., says money is a big concern for his blue-collar family scrambling to find the money to pay more than \$20,000 for tuition, room and board.

They are not pleased that university officials are likely to raise tuition 9 percent this summer.

"They do complain that the school's taking advantage of people (by raising tuition)," Sarb said.

But interim President Stanley Ikenberry says the school has run out of options. With a budget deficit expected to top \$11 billion this year, the state of Illinois owes the university more than \$430 million, money he doesn't expect to see any time soon.

In some cases, one student's tuition disaster is another's bargain.

State officials have told Florida

students they can expect 15 percent tuition increases every year until tuition reaches the national average. That could be a long slog, as the state is starting its tuition realignment from a place other students envy — about \$3,000 a year.

In California, unprecedented budget cuts to higher education have led to huge fee increases at the state's two public university systems, as well as layoffs, furloughs, enrollment cuts and reduced course offerings.

At the University of California, which has 10 campuses and about 220,000 students, in-state undergraduate fees in fall 2010 are set to reach \$10,302 — 32 percent more than in fall 2009 and three times what California residents paid 10 years ago.

But at California State University, the nation's largest public university system with 23 campuses and 450,000 students, resident undergraduate fees rose 32 percent from fall 2008 to fall 2009 to \$4,026, which is nearly three times what students paid 10 years ago. Gov. Arnold Schwarzenegger's budget proposal for 2010-2011 assumes that the system will raise fees another 10 percent in the coming academic year.

"We're paying more and getting less," said Steve Dixon, a Humboldt State University senior who heads the California State Students Association.

At the University of Washington, where tuition and fees are expected to pass \$9,000 by the 2010-2011 school year, students are worried about threatened cuts in financial aid as well.

"It's kind of a perfect storm for students," said Jono Hanks, a political science major from Everett, Wash., who is the UW student government lobbyist at the statehouse this quarter.

Hanks lives at home, packs his lunch and pays tuition with work and about \$4,000 in student loans a year. Others have told him they're looking for a second job and adding to their debt to keep up with this year's 14 percent tuition increase.

"Some of them are even talking about dropping out for a few years

so they can pay off the loans they have," Hanks said.

The Seattle university expects to raise tuition another 14 percent next year. UW tuition used to double every decade. At 14 percent a year, it could double in five.

Hanks is almost finished with school so he's not that concerned about his ability to pay for the last few quarters of his degree. But he does worry what barrier tuition increases will pose for his younger sister and brother, who are both in elementary school.

Other states have been more subtle in their budget balancing attempts.

The University of Wisconsin-Madison is in the first year of a four-year tuition increase plan aimed at improving quality. In addition to statewide tuition increases of about 5.5 percent, in-state students at UW-Madison will pay an extra \$250 a year each year.

This year, tuition went up by \$617 to \$7,296 or about 9.2 percent, but financial aid increased at the same time.

Still, few are complaining because the extra money — \$100 million in the first four years and \$40 million each year afterward — is reserved for providing more classes, improving student services and increasing need-based financial aid.

The Georgia Board of Regents has suspended indefinitely its popular "Fixed for Four" guaranteed tuition program, which since 2006 has meant students have paid the same tuition rate annually for four years of college. A freshman at the University of Georgia this year pays \$3,865 in tuition and fees per semester if they take between seven and 15 hours of classes.

Some students are relieved at modest tuition increases this year, including 3.5 percent in Ohio, less than 5 percent in Pennsylvania, and 3.9 percent at the University of Colorado at Boulder.

So far a few states, like Oklahoma and Missouri, have avoided tuition increases entirely. And the Oklahoma Legislature gave its state universities no reason to complain when it fulfilled the state higher education budget request.

Hershey gains big as they pass on Cadbury

By **MICHELLE CHAPMAN**
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Analysts expected \$1.42 billion in revenue.

"Our fourth quarter results represent a solid finish to a year marked by good progress against our key strategic initiatives despite the backdrop of the macroeconomic issues affecting consumers," President and CEO David West said in a statement.

For the year, profit improved to \$436 million, or \$1.90 per share, compared with \$311.4 million, or \$1.36 per share, a year earlier. Adjusted earnings were \$2.17 per share.

Full-year sales increased 3 percent to \$5.3 billion from \$5.13 billion.

The candymaker reaffirmed that it expects its 2010 adjusted profit to rise 6 percent to 8 percent and sales to climb 3 percent to 5 percent.

Based on 2009 figures, that implies full-year adjusted earnings of about \$2.30 to \$2.34 per share on sales of about \$5.46 billion to \$5.56 billion.

Analysts predict a profit of \$2.28 per share on revenue of \$5.5 billion for the year.

West said the candymaker will launch its Hershey's Bliss white chocolate during the first half of the year, as well as continue to expand its Pieces product line to include Hershey's Special Dark, Almond Joy and York.

The company expect to boost its ad spending by 25 to 30 percent to promote brands such as Reese's, Hershey's Kisses, Bliss, Twizzlers, Kit Kat and its namesake. New ad campaigns are also planned for Almond Joy, Mounds and York.

Hershey said its earnings, combined with improved working capital and higher operating cash flow, led it to raise its quarterly dividend by 2.25 cents to 32 cents. The dividend will be paid on March 15 to shareholders of record Feb. 25.

Higher prices and lower charges sparked a profit increase for Hershey Co. as the nation's second-biggest candy maker continued to push its brands to cost-conscious consumers and gain market share.

The company also maintained its 2010 adjusted earnings and sales forecasts while boosting its quarterly dividend. The news sent Hershey's stock up 19 cents to \$37 in premarket trading.

The candy maker's price hikes contributed to profit increases in every quarter of 2009. While some experts viewed the move as risky, potentially scaring off budget-conscious shoppers, the actions have appeared to have minimal impact as consumers are remaining loyal.

Hershey, based in Hershey, Pa., recently said it would not bid for British rival Cadbury PLC. Cadbury shareholders are expected to vote on Kraft Foods Inc.'s \$19.5 billion offer on Tuesday.

The company's earnings rose 54 percent to \$126.8 million, or 55 cents per share, for the period ended Dec. 31.

Removing one-time charges of 8 cents per share, profit was 63 cents per share. This topped the forecast of analysts polled by Thomson Reuters, who predicted earnings of 60 cents per share. These estimates generally take out one-time items.

In the prior-year period Hershey's charges totaled 23 cents per share.

Sales grew 2 percent to \$1.41 billion during the quarter which included Halloween and Christmas — usually a strong period for the maker of Hershey's chocolate bars and Reese's peanut butter cups.