

Prices set to enroll in guaranteed tuition plan

Class of 2010's cost? It's \$6,756 for 4 years

BY STEPHEN JONES
Free Press Higher Education Writer

Michigan parents will have to pay \$6,756 to guarantee four years' tuition at a state public university for a newborn child under a price scale adopted Tuesday.

The Michigan Education Trust board of directors also postponed the five-day application period two weeks to Aug. 1-5. In addition, MET officials announced plans for an hour-long phone-in question-and-answer program on the guaranteed tuition program to be broadcast at 9 p.m. Aug. 3 on public radio and television stations statewide.

The price is somewhat higher than the \$6,500 figure tentatively endorsed by the board in May. State Treasurer Robert Bowman said the higher cost reflected the board's decision to use a higher estimate of the inflation rate for college tuition costs.

"It is conservative and the price isn't really any higher than we've been telling people," Bowman said.

Under the MET program, contracts may be purchased that guarantee up to four years' tuition for a child at any of the state's 15 public universities or 29 community colleges. The cost varies mainly depending on the age of the child at the time of application to the program.

The tuition can be used at private or out-of-state colleges — although they probably would not cover full tuition at those schools — and can be transferred to another child if the enrolled child dies or decides not to attend college.

The price scale adopted Tuesday sets out three alternatives:

- Four-year school, full benefits. Full tuition is guaranteed at any of the 15 state universities. The cost per year of college ranges from \$1,689 for a newborn to \$3,145 for a 17-year-old.
- Four-year school, limited benefits. The price per year ranges from \$1,529 for a newborn to \$3,145 for a 17-year-old, but the guarantees cover full tuition only at schools that charge up to 105 percent of the statewide average tuition. Students would have to pay extra if they attend a more expensive school — essentially Michigan or Michigan State.
- Community college. This plan costs \$1,104 per year of guarantee, regardless of the child's age at the time of enrollment. Actuaries told the board they could not recommend age-related discounts until they have some idea of

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- How much it will cost; 4A.
- How to apply, 4A.

WHAT GUARANTEED TUITION WILL COST

This chart shows the cost of one year of guaranteed college tuition for a student through the Michigan Education Trust. To use the chart, find the age of your child and read across to the column for the type of plan desired. Multiply that number by the number of years' tuition to determine the cost.

At purchase Age	Grade level	Expected year of college enrollment	COST OF ONE YEAR Four-year school		
			Full benefits	Limited benefits*	Community college
0		2006	\$1,689	\$1,529	\$1,104
1		2005	1,710	1,550	1,104
2		2004	1,740	1,579	1,104
3		2003	1,762	1,601	1,104
4		2002	1,795	1,633	1,104
5	K	2001	1,822	1,659	1,104
6	1	2000	1,875	1,712	1,104
7	2	1999	1,923	1,760	1,104
8	3	1998	1,976	1,812	1,104
9	4	1997	2,017	1,850	1,104
10	5	1996	2,055	1,887	1,104
11	6	1995	2,108	1,939	1,104
12	7	1994	2,160	1,989	1,104
13	8	1993	2,204	2,030	1,104
14	9	1992	2,254	2,078	1,104
15	10	1991	2,288	2,107	1,104
16	11	1990	3,208	3,208	1,104
17	12	1989	3,145	3,145	1,104

*The limited benefits plan covers full tuition at schools that charge up to 105 percent of the statewide average tuition.

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how many people will choose the option. It is not expected to be as popular as the four-year school programs.

Bowman said applications should be mailed out within 10 days to people who have requested them.

The program has generated a great deal of interest. The MET hot line has handled 55,000 calls and several thousand people have attended public forums, Bowman said.

In its debate of the pricing scale the board also discussed the taxes students might owe when they enter college and begin receiving benefits. Bowman said

that under current law, students will be liable for federal taxes on the tuition benefits.

He said that because the tax liability will be spread out over the four years the students receive benefits, the tax cost will be \$200 to \$300 a year per student.

"The question is, is 200 bucks a year too much in 18 years," Bowman said. "That's the value of about \$10 today."

He also said the state tax deduction allowed for contributions to the MET fund should offset the federal tax liability.

How to enroll in the guaranteed tuition plan

Here's how to enroll a student in Michigan's guaranteed tuition program.

■ Applications should be mailed out within 10 days to people who have requested applications from the program, the Michigan Education Trust. Anyone interested in receiving applications may call the MET hot line at 1-800-MET-4-KID (638-4543), from 8 a.m. to 6 p.m. Monday through Friday.

Two remaining forums are scheduled for Tuesday at Lake Michigan Community College in Benton Harbor and June 29 at Alpena High School. Both are at 7 p.m.

■ Applications may be returned by mail or delivered in person to any Treasury Department office in the state but must be received between Aug. 1 and Aug. 5. Anyone turning in an application during that period will be accepted in the program.

■ Two to four weeks after the application period, the state will send out contracts to those who applied. Those contracts will have to be signed and returned by a specific enrollment date, probably around the beginning of September.

■ Those enrolling children in the program will be given several weeks after the enrollment date to arrange financing. A specific due date for payments

has not been set.

■ The state only will accept lump sum payments. People may obtain loans from banks or arrange installment payment programs through one of the savings and loan institutions co-operating with the program.