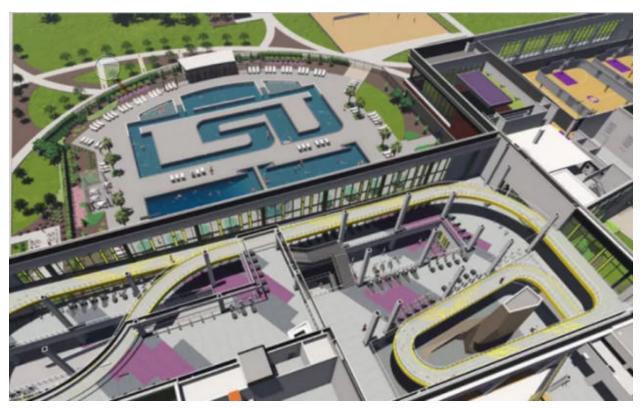
## INSIDE HIGHER ED



Plans for a new lazy river and sun deck at Louisiana State University.

## **Lazy Rivers and Student Debt**

June 15, 2015

## By Kellie Woodhouse

There's not much Elizabeth Warren and Chris Christie agree on. But last week they struck a similar chord in speeches that knocked increasingly common and luxurious college amenities like climbing walls and lazy rivers.

Such features, Warren said in a June 10 speech, contribute to rising tuition. A day later, Christie criticized [www.insidehighered.com/news/2015/06/12/chris-christie-opposes-free-highereducation-supports-increases-some-student-aid] colleges that are "drunk on cash and embarking on crazy spending binges," including the building of amenities like climbing walls.

"Some colleges have doubled down in a competition for students that involves fancy dorms, high-end student centers, climbing walls and lazy rivers -- paying for those amenities with still higher tuition and fees," Warren offered [www.insidehighered.com/news/2015/06/11/elizabeth-

warren-outlines-debt-free-college-plan-calls-more-funding-higher-ed] to the American Federation of Teachers.

Such critiques are hardly new, and they tend to frustrate those who work at community colleges and many other institutions that have never invested in anything resembling a country club amenity.

But for those colleges that compete for full-pay residential students and status, they do invest in amenities. But how much are amenities really driving up the price of college? Minimally, says David Feldman, a professor of economics at the College of William & Mary and co-author of *Why Does College Cost So Much?* 

"Lazy rivers are only a tiny piece of the costs," he says. "These lazy rivers are not the reason why student debt is soaring seemingly out of control. The big problem that higher education faces today, at the public side, is cuts in state spending."

Added Jane Wellman, a higher education finance expert with the College Futures Foundation, "The symbolism of this is worse than the reality of it."

As politicians respond to concerns about tuition and rates of debt, such features can create for bad optics.

Louisiana State University at Baton Rouge has embarked on an \$85 million upgrade to its student gym and recreational facilities, including a lazy river in the shape of the university's initials, a climbing wall, a rope course and a 40,000-square-foot weight and cardio facility. The student government in 2011 voted to fund the project by quadrupling student fees. Students now pay \$200 a semester in a recreational fee, or \$1,080 more over four years than they would have paid under the old fee structure. The fee increase was approved by an 84 percent vote.

LSU began building its lazy river this year, at around the same time LSU's president threatened financial exigency in an effort to ward off massive state funding cuts, which have since been largely averted [www.insidehighered.com/quicktakes/2015/06/12/budget-deal-averts-severe-cuts-louisiana]. Some questioned why the legislature should support a university that's spending ten figures on such amenities.

The headlines rolled in, one after the other. "LSU's \$85M 'lazy river' leisure project rolls on, despite school's budget woes," a Fox News headline read. A *Huffington Post* headline was more glib: "LSU faces dramatic budget cuts while it builds an expensive lounging pool."

Much of LSU's infrastructure is outdated or in poor repair, and its recreational facilities were no different. University leaders argue that the amenities like the lazy river and climbing wall will attract students and ultimately bring in revenue.

James Kadamus, vice president for Sightlines, a firm that advises colleges on their physical assets, has analyzed patterns in recreational spending in higher education, and found that campuses that make large investments in new recreational facilities typically have existing facilities that are outdated and in need of repair.

Some question the wisdom of colleges choosing to upgrade their auxiliary facilities before they upgrade their academic ones. "One can ask whether they're appropriate expenditures given that

many colleges are letting their infrastructures deteriorate, even while they're investing in these things that are supposed to attract students," Wellman said.

Kadamus also found that, on average, recreational facilities typically account for a small amount -- about 15 percent -- of a college's overall square footage. In 2012, the latest data available from advocacy group NIRSA: Leaders in Collegiate Recreation, there were at least 157 recreational projects in progress at 92 U.S. colleges, representing more than \$1.7 billion in new constructions and renovation.

Kadamus has found that, with the exception of large public institutions, investments in pools and gyms generally don't have a positive effect on enrollment, which is often how such spending is rationalized by administrators. Yet a separate 2013 study [www.insidehighered.com/news/2013/01/29/many-students-opt-colleges-spend-more-nonacademic-functions-study-finds] by the National Bureau of Economic Research found that spending on "consumption" preferences can help increase enrollment of students who don't aspire to elite colleges, which is the vast majority of U.S. college students.

Climbing walls, on average, cost about \$100,000 to build, Kadamus found in his research. Lazy rivers and aquatic elements, however, can be more expensive.

A decade ago Texas Tech University spent more than \$8 million on its 700-foot lazy river, and raised student fees by \$10 a semester to pay for it. The University of Iowa spent \$53 million on new recreational facilities that includes a competitive swimming pool as well as a lazy river. Ohio State University completed a \$140 million overhaul to its recreational facilities that included a 250-foot hot tub.

Christie, in his June 11 speech at Iowa State University, said colleges should send students and their families itemized bills so they know exactly how much they're spending for things like climbing walls.

Capital construction projects are often financed over a series of decades, and are generally wrapped into student fees. Often those fee increases are approved by student governing bodies, which isn't the case with tuition.

The price tags for recreational facilities can be large, and amenities that are being built become nicer with each passing year. Take LSU's lazy river, for example. College administrators wanted to make the river in the shape of LSU's initials in part to one-up the competition.

Feldman said such facilities can become "PR black eyes" during national discussions of college affordability, like the debates that will take place heading up to the 2016 presidential election. But universities say they are responding to market pressures and students seek out these facilities. When LSU's student government surveyed students about what they wanted most in a new recreational facility, the overwhelming majority asked for a lazy river.

"The students are saying they want it and they want to pay for it. The consumer behavior is not always rational," Wellman said. Even as Christie criticized climbing walls, he admitted he paid \$62,000 a year to send his daughter to Notre Dame, which has a climbing wall. (And there's also one -- see photo above right -- at Rutgers University, in Christie's New Jersey.)

Andrew Mahtook, president of LSU's student government, said that as the \$85 million project was presented, the financial impact of raising fees to support construction was top of mind. "We debated it, we went over it and... we approved a fee," he said.

Wellman said that when politicians or students or pundits assert that lazy rivers and climbing walls are driving up the cost of education, they're often making a statement about the priorities of colleges, just as much as they're criticizing spending.

"The sense is that college costs are going up too rapidly, and institutions aren't doing enough to control them," she said. "The critique underneath that is the critique of the decision-making culture in higher education."