

CSU faculty union rejects management 'pig in a poke' furlough plan

July 1, 2009

The union that represents faculty members in the California State University system has launched a nasty counterattack against CSU Chancellor Charles B. Reed and his plan to furlough professors two days a month to save \$275 million.

The California Faculty Association issued a blistering statement attacking Reed's budget cutting furlough plan after *The State Worker* reported Tuesday that Reed had pressed the union to put his furlough proposal to a vote by its members.

Read that post here.

The CFA's response was quick - and the tone was downright nasty.

"Chancellor Reed and his administration have focused for years on their own perks, spent millions on labor consultants and done little to advocate for adequate CSU funding; now their incomplete CSU budget proposal would address less than half the projected shortfall, leaving a \$300 million deficit with no plan to close it; tens of thousands of students are at risk of losing out on a college education.

"Would you buy a "pig in a poke" -- in this case, a pay cut deal composed of vague promises about what is inside the paper bag? CFA won't.

The CFA said it's well aware of the massive budget collapse that the California University system is facing with the rest of the state and the union acknowledged that this coming year's state funding shortfall will be worse.

"So we expected to see a creative, well-thought-out plan from our leadership. Chancellor Reed's administration has long been raising its own compensation and packing the ranks of managers because, they claimed, they need the best at the top. Well, this is their time to shine," CFA President Lillian Taiz said in a statement.

"Instead, they have come up with a half-baked plan to cut employee pay that ostensibly would address a little less than half the funding shortfall. And, when asked about the remaining \$300 million deficit, our Chancellor said he 'has no plan,'"Taiz said.

The CFA boss then said Reed's Monday statement misrepresented its talks with CFA.

The union said CSU brass omitted the most important questions it asked about the Chancellor's proposal that basically asks for a blank check to deal with the crisis.

The question? If CSU faculty agrees to a furlough, will that prevent layoffs?

The CFA says the answer it got was a resounding "No" from senior CSU university executives, many of whom earn more than \$300,000 a year and live rent-free in university owned homes and are supplied university-issued cars.

UC employees grappling with furloughs

SacBee

By Laurel Rosenhall

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Budget cuts at the University of California have already hit students where it hurts. Enrollment caps have made it harder to get in – and those who have been admitted are paying more for their education.

Now UC employees are about to feel the pain, too.

University officials are considering cutting their pay – by 8 percent for workers making more than \$46,000 and 4 percent for those making less. Regents will decide later this month whether to reduce salaries through pay cuts, furloughs or a combination of the two.

UC's 30 top executives – including President Mark Yudof and campus-level chancellors – agreed to a 5 percent pay cut at the end of May. Yudof said their salaries will be cut even further after regents decide on salary reductions for other employees.

UC workers have been examining the options for how salaries could be cut and weighing in through town hall meetings, online surveys, Internet discussion boards and thousands of e-mails. Overwhelmingly, Yudof said in a memo Tuesday, employees prefer the furlough model of taking days off without pay.

But there is little consensus on how to make a furlough work on campuses where faculty juggle teaching and research, or at medical centers where doctors and nurses must be present around the clock. Unlike most state workers who work Monday through Friday all year long, lots of UC employees are on non-traditional schedules.

"Many of us say, 'What exactly does that mean for faculty?' " said Robert Powell, chair of the UC Davis Academic Senate.

"It's just not quite clear because faculty will continue to do their research, continue to prepare for their courses."

Yudof suggested that a furlough could be achieved, in part, by converting some paid holidays into unpaid days off. UC employees get 13 paid holidays; the furlough proposal calls for full-time workers to take 21 days off without pay, and faculty who work the academic year to take 14.

Some faculty object, saying furloughs should happen on days they normally would teach so that students and parents feel the burden, too. Taking furloughs on holidays wouldn't have a visible enough impact, said Keith Watenpaugh, a professor in UC Davis' religious studies department.

"Furloughs in which faculty aren't teaching, offices are closed, labs are closed down, the library doors are barred ... I think the people of the state will understand better what's at stake with this chronic underfunding of the UC system," Watenpaugh said.

"If we're going to have a pay cut, there should be a commensurate cut in what we have to do in teaching. No one wants to shortchange the students, ... but the pain, we're all feeling it and it needs to be shared."

Some students said they're already feeling the pain, thank you. They don't want to lose class time so professors can make a political point.

"We're already feeling the budget cuts as students – they're cutting our programs and raising our fees," said Justin Patrizio, 21, a political science major who is active in student government.

"To request that the furloughs negatively affect student life is a little bit inconsistent with the goal of the university."

Tierney Burke, who is going into her junior year, said it's ridiculous for faculty to intentionally inconvenience students.

"Their fundamental job is to educate the student population," she said. "It's not our fault that the budget situation happened."

But faculty say the state's budget crisis isn't their fault, either.

"Students have a right to be angry that they're losing time with their professors. But that anger should be directed at the Legislature, not the University of California," said Watenpaugh.

History major Adam Thongsavat said he supports faculty who want to take furloughs on their teaching days.

"I guess this furlough day thing is more of a political action," said Thongsavat, 19. "If the furlough days were on a holiday the faculty would get less pay and it would go unnoticed. So of course they want to make a statement with it."

Another issue employees have been grappling with is whether those whose salaries are not paid by the state should also be subject to pay cuts. On the one hand, the university wants to treat all employees equitably. On the other, California doesn't save any money by cutting the salaries of professors whose research is funded by federal grants.

Because of budget cuts from the state, UC is confronting a deficit of about \$800 million. About a quarter of the gap was filled by raising student fees, which will generate about \$211 million. Another quarter is likely to be filled through pay cuts and furloughs, totaling \$195 million.

Yudof says the rest of the cuts will have to be made by individual campuses and are likely to lead to larger classes and fewer courses.

Professors aren't the only ones who will take salary cuts. Yudof wants all of UC's nearly 180,000 workers – from groundskeepers and secretaries to administrators and emergency room doctors – to take the cuts equitably.

About a third of UC employees are represented by labor unions – more than a dozen different unions in all. UC leaders must negotiate salary reductions for those employees. But they can cut the pay of other workers, including faculty and managers, without negotiations.

A 2-Year-College System Streamlines Student Aid So Campuses Can Focus on Counseling

June 29, 2009

By BECKIE SUPIANO

Financial aid can go a long way toward meeting the cost of attending community colleges, but it is notoriously difficult to get students to apply. The Connecticut Community Colleges system has hit on a process that helps.

About a decade ago, the system created a centralized student-aid office to cut down on bureaucratic tasks at its 12 campuses and free up their staffs to work more with students. Since that change in the 2000-1 academic year, the system has seen the number of students applying for aid more than double, at a time when enrollment has grown about 25 percent. And at least one other state system is considering the model.

Marc S. Herzog, the Connecticut system's chancellor, saw an opportunity to create the central aid office when the system moved its data onto SunGard Higher Education's Banner software. At the time, each college's financial-aid staff was responsible not only for packaging and distributing student aid, but also for keeping up with regulations and policy changes, verifying student financial information, and handling audits. A typical office at one of the system's colleges had a financial-aid director, two other aid professionals, and work-study employees. And in an increasingly technology-dependent field, some of them were still pushing paper. "You are asking these offices to do an incredible amount of work," Mr. Herzog says.

So Mr. Herzog, himself a former student-aid director, created a bureau in the system office that took many of those routine tasks out of the individual aid offices. He could do that because the system decided to run the software centrally, rather than on each campus. The decision saved the system in licensing fees, but more importantly, prevented it from having to hire 12 associate directors in charge of technology on the campuses, says Tom Bradham, director of financial-aid services for the system.

The bureau, staffed by three student-aid and two information-technology workers, provides support to the colleges' aid offices. Mr. Herzog estimates that the staff members' salaries run about half-a-million dollars a year. If the system hadn't created a central aid office, Mr. Herzog says, it would have had to add, conservatively, two or three staff members per campus to handle student aid under the new data system. He estimates that those salaries would have cost about \$2.4-million a year.

The service bureau handles all the upgrades and technical issues for the student-aid aspects of the data system. It ensures compliance with federal and state regulations and handles government audits. The bureau automatically uploads student-aid applications into the software each night and sends the aid offices the files they need in the morning. And its staff provides an easy-to-reach resource for policy and technical questions.

The new data system allowed the colleges to automate some routine tasks, says David J. Welsh, director of financial-aid services at Tunxis Community College. This, he says, "leaves us more time to deal with real problems" like helping students understand and take advantage of financial aid.

At a community college, many students are "a bit overwhelmed by the whole college process," Mr. Welsh says. In many cases, his staff meets with students in person to help them apply for aid. All of the college's entrance counseling is done in person. And the staff also does outreach at area high schools. These tasks are important but time-consuming, and making other parts of the job more efficient has freed up more time for them.

The increase in staff time devoted to counseling, Mr. Welsh says, is one reason the system has seen so many more students applying for aid. Since 2000-1, the system has had a 111-percent increase in the number of students applying for aid, and a 102-percent increase in students receiving it. In the 2008-9 academic year, 63 percent of the system's students applied for aid. By comparison, 42.5 percent of all community-college students applied for aid in 2007-8, according to an analysis by the Institute for College Access & Success of the most recent data available from the National Postsecondary Student Aid Survey.

Before 2000, "we were very bad in getting students financial aid," says Mr. Bradham. He was the financial-aid director at one of the system's campuses, Asnuntuck Community College, from 1977 to 1998, until Mr. Herzog brought him in to lead the software implementation and then run the service bureau. Back when he was a financial-aid director, Mr. Bradham says, staff members in some of the colleges' financial-aid offices still had to type a student's name and Social Security number on a piece of paper and walk it to another office. And the workload was tremendous: "At my office, I was director of cooperative education, career services, and financial aid all at the same time."

The service bureau exists to support student-aid directors, he says. "We've taken the mundane financial-aid tasks away from them," he says, but "what we haven't taken away is the judgment. From the system, we have not given \$1 of financial aid to any student." That key task is still done at the campus level.

But the system's board did set some guidelines for packaging aid, changes that coincided with the creation of the service bureau.

The first priority is covering all students' direct costs: tuition and fees, books and supplies. Those costs now total \$4,200, and the board's policy is to cover any need a student has up to that amount in grants.

The colleges are also instructed to treat everyone as a full-time student. Generally, more aid is available to students who attend full time, and the college wants to make clear the maximum amount each student qualifies for. Doing so, they think, encourages more students to attend full time — which makes students more likely to stay in college, make good grades, and complete a degree. Students are also given an explanation of full-time status. And the colleges don't list loans as part of a student's award, although they do award federally backed loans.

A Possible Model

For Connecticut, the new infrastructure has proved beneficial. "There's no way we could handle our volume today if we didn't do what we did with our system office," Mr. Bradham says.

And the service bureau has at least one fan outside of the state. "It's a very impressive system in a number of ways," says Glenn DuBois, chancellor of Virginia's community-college system, who went to Connecticut last summer to see how the colleges' center operates firsthand. "I would say it's liberated them, really, to do the counseling piece and the recruitment piece."

Mr. DuBois plans to do something similar in his own system. He just finished a big software project for the system's finances, is currently working on human resources, and will deal next with financial aid. Virginia uses PeopleSoft much the way Connecticut uses Banner, so the system should be able to design a similar center.

Community colleges operate differently in various states, but Mr. Herzog thinks even those without a state system should find ways to work together to centralize some of their student-aid functions. In addition to all its other benefits, it should save some money. And who isn't looking to do that these days?

Dan Walters: Don't blame Prop. 13 for state's fiscal mess

SacBee

By Dan Walters

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The state's budget travails, and those of local governments, have inevitably given rise to demands that Proposition 13, the landmark property tax limit measure enacted by voters 31 years ago, be altered.

Proposition 13, those on the political left contend, is the root of all fiscal evil, leaving California's governments unable to meet the state's legitimate needs.

Recognizing that Proposition 13 remains politically popular, its critics don't demand its repeal. Rather they seek changes, such as a "split roll" that would allow taxes on commercial property to rise while leaving limits in place for residences.

Typical is a recent op-ed piece by Phil Ting, San Francisco's property tax assessor. "The abundance of corporate property tax loopholes creates a system where the middle class, our families and our seniors are buried under a mountain of property taxes," Ting wrote. "Combine this with a tax system that relies on regressive and unpredictable taxes and fees, and we find our state in a perpetual budget crisis."

Ting didn't offer any hard data to back his hyperbole because, in fact, numbers don't support him.

Over the past three decades, state general fund revenues, primarily from sales and income taxes, have increased 500 percent, from just over \$15 billion a year to about \$90 billion.

Proposition 13 slashed property taxes nearly in half, to \$5.6 billion a year in 1978-79. Since then, property taxes have risen 800 percent to more than \$50 billion, according to data from the state Board of Equalization – far faster than other revenues, thanks to new construction and transfers.

Of course, had Proposition 13 not been passed, those property taxes would have been even higher.

Were Californians' property being taxed at the same rate today as in 1978, our property taxes would have soared to at least \$150 billion a year – a politically unsustainable level. In other words, a backlash against property taxes was inevitable. Had Proposition 13 not occurred, something else would have.

What about Ting's contention, widely repeated in anti-Proposition 13 circles, that commercial property is unduly benefited?

Dave Doerr, chief consultant to the California Taxpayers' Association and a leading expert on taxation, has calculated that commercial property subject to local assessment by Ting and his

colleagues in other counties is actually bearing a slightly larger share of the property tax burden than it did 30 years ago – and, interestingly enough, residential property's share has also been rising.

What's happened, Doerr says, is that the share of taxes on personal property not subject to Proposition 13 has declined, as has the share borne by state-assessed railroads and utilities.

California's fiscal dilemma has many root causes, but most of them are political.

Proposition 13 has had a big effect, but it's not so much its slowing the growth of property taxes as its inadvertent concentration of decision-making in a Capitol political culture that's utterly incapable of acting responsibly.

Furloughs expected at California State University system

SacBee

By Laurel Rosenhall

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The furlough has become an unfortunate reality for many Sacramento area residents. More than 200,000 state workers are now facing a third monthly furlough day. About 18,000 UC Davis employees will probably have to take furloughs starting in August.

And now, leaders of California State University want workers at Sac State and its other 22 campuses to take furloughs, too.

Because of state budget cuts, the Cal State system is trying to trim its annual spending by \$584 million. University officials say they could save \$275 million by furloughing all employees two days a month for one year. That would amount to a 10 percent pay cut for CSU workers.

Two of the university's labor unions have agreed to the plan: one representing 16,000 nonacademic employees such as custodians, nurses and lab assistants; the other representing 2,400 student-services employees, such as financial aid advisers and job placement counselors.

But the largest Cal State labor union – the one that represents 23,000 professors, librarians and coaches – hasn't agreed to take a furlough. Union leaders say they want to know how many jobs they would save by going for the furlough.

"People are prepared to make a sacrifice but they want to make a sacrifice that's going to mean something," said Lillian Taiz, president of the California Faculty Association and a professor of history at CSU Los Angeles.

Without furloughs, officials say they will certainly turn to layoffs. But they're not saying how many jobs could be lost with furloughs or without.

"That number has not been mentioned yet," said spokeswoman Clara Potes-Fellow. "There is no calculation of how many."

It's one of many frustrations CSU faculty face as they grapple with the furlough plan.

Another worry concerns workload. Anthony Sheppard, chairman of the Faculty Senate at California State University, Sacramento, said university leaders haven't indicated how a furlough would reduce the amount of work expected of professors.

"If you're asked to stay home a couple days a month but teach the same amount of classes and advise the same number of students then you really haven't been furloughed," said Sheppard, who teaches management and marketing in the tourism administration department.

The details of implementing a furlough would be different on each campus, said Claudia Keith, a CSU spokeswoman.

"We're not going to systemwide 'be closed every other Friday' or something like that," she said.

"We don't yet have all the details on all our cost savings, but furloughs get us a good way down that road."

Furloughs sounded like a decent option to members of the CSU Employees Union, which represents nonacademic employees.

"We're trying to protect some careers and positions," said Patt Gantt, a lab assistant at Chico State who is president of that union.

"It's a new concept to us to avoid layoffs."

CSU trustees meet Tuesday in Long Beach to discuss the furlough proposal and other budget matters. They are expected to vote on a plan July 21. One possibility under consideration is changing university policy to allow the chancellor to impose furloughs on managers, Potes-Fellow said.

Though faculty are raising questions about the specifics of a furlough, many said they expected it ultimately would come to pass.

"If there aren't furloughs then obviously they're going to lay more people off," said CSUS computer science professor Bob Buckley.

"It would be very difficult for the faculty to say no to furloughs when almost everyone in the public sector in California is taking furloughs."

Obama Expected to Announce Major Proposal to Support Community Colleges

<http://chronicle.com/temp/email2.php?id=8mpvpvzpPcpBkfmpyF9ZYwdByvZtmhYj>

The Chronicle of Higher Education

By MARC PARRY

President Obama called for fresh financial support for America's community colleges on Sunday as two-year institutions anticipate the rollout of what could be a multibillion-dollar new proposal for an education sector that is straining to accommodate a surge in students amid the recession.

Writing in *The Washington Post*, Mr. Obama cast community colleges in a lead role as the country rebuilds its economy from the "wreckage" of financial collapse. His call for reforming America's network of community colleges comes as the president prepares to visit Michigan on Tuesday for a speech about two-year institutions.

"Our community colleges can serve as 21st-century job-training centers, working with local businesses to help workers learn the skills they need to fill the jobs of the future," Mr. Obama wrote in an opinion piece published on Sunday. "We can reallocate funding to help them modernize their facilities, increase the quality of online courses, and ultimately meet the goal of graduating five million more Americans from community colleges by 2020."

The president's public comments dovetail with behind-the-scenes talks that have focused on three general areas, according to higher-education groups in Washington tracking the Obama administration's new policy thrust. Those are grants for work-force retraining and other programs, infrastructure loans, and money for the development of free online courses.

Education officials have warned that bursting-at-the-seams community colleges could be forced to close their classrooms to thousands of students in the coming year. They face demand both from students seeking less costly options and unemployed workers looking to learn new skills. If the proposal is made—and no official details were available over the weekend—the federal assistance would represent unprecedented new funds for community colleges.

"There's never been a federal program anywhere close to this size targeted specifically at community colleges, as we understand it," said David S. Baime, vice president for government relations at the American Association of Community Colleges.

White House spokesman Thomas F. Vietor declined to say whether the president will announce a new program during his speech, scheduled for Tuesday at Macomb Community College northeast of Detroit. The institution—which historically has been in essence [Chrysler's community college](#)—is trying to partly reinvent itself as the carmaking sector collapses.

“I can confirm the location and topic as community colleges but no details at this time,” Mr. Vietor said of Tuesday’s speech, writing in an e-mail message to *The Chronicle* on Saturday. It is widely expected that the community-college proposals will be unveiled during the president’s appearance on Tuesday. Congressional staff members were briefed on the plans on Friday.

An announcement has been anticipated since last month, when Rahm Emanuel, the president’s chief of staff, [told](#) the Democratic Leadership Council that Mr. Obama would soon disclose plans for a substantial increase in federal support for job-training programs at community colleges. Mr. Emanuel was quoted as saying they would receive “major resources to compete.”

Mr. Emanuel’s prediction marked the latest among many signs of the growing recognition within the Obama administration of the importance of community colleges. In March, Secretary of Education Arne Duncan chose a [two-year college](#) as the site of his first official visit to a higher-education institution. In April, Mr. Obama [picked](#) a community-college leader, Martha J. Kanter, as under secretary of education, the department’s second-highest post. And last month, Mr. Duncan announced a new [\\$7-million grant program](#) for community colleges to provide job training for laid-off autoworkers and other unemployed people.

A Possibility of Billions

How much more money is the government prepared to spend on community colleges?

One possible indication comes in an e-mail alert sent out Friday by the National Center on Education and the Economy, which is deeply involved in federal work-force and related policies. The unofficial summary, obtained by *The Chronicle*, said the proposal could provide \$9-billion in aid over 10 years for community colleges to “develop and improve programs related to training and retraining.” The alert said \$500-million a year could be awarded over the first five years for a “community-college training program, with grants awarded competitively to community colleges.”

The summary also referred to a \$10-billion loan fund for community-college facilities and \$50-million for “free online courses (paid for by the federal government), mostly available through community colleges.”

The bulletin’s author, Mary Clagett, did not respond to an e-mail message from *The Chronicle* on Saturday. Her alert warned that the information it contained “could all change.”

At least a portion of the money is expected to come from savings that would be generated through the president’s plan to end subsidies to student-loan companies. Congress is expected to take up legislation soon that would end the bank-based student loan program and shift all lending to the government’s direct-lending system.

Although the details of the online component are scant and the money apparently small relative to other areas, one expert predicted the Obama administration’s support for online classes could be “hugely significant for higher education.”

The recession is reinforcing “a new norm in higher education enrollment patterns,” as students increasingly enroll in community colleges to start their higher education before completing degrees at regional state universities, says Raymond E. Schroeder, director of technology-enhanced learning at the University of Illinois at Springfield. Lower tuition is largely motivating this, Mr. Schroeder says, but so is “the access afforded by the rapid proliferation of online and blended classes.”

“In turn, community colleges are launching online programs to relieve their overcrowding of their classrooms and to better meet the needs of the students,” he wrote in an e-mail message to *The Chronicle* on Sunday. “Providing a series of online general-education and certain work-force-development classes at no charge through community colleges will encourage even further growth in movement to online learning and affordable community-college entry for the first two years of the baccalaureate.”

Schwarzenegger, lawmakers working on school cuts

SacBee.com

By Kevin Yamamura and Jim Sanders

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Gov. Arnold Schwarzenegger and legislative leaders have agreed on a way to cut school funding while avoiding a politically unpopular suspension of the state's constitutional guarantee for education, Democratic negotiators said Wednesday.

But they remain at odds over whether to make a permanent change in the way education spending is calculated that would make it easier for schools to get more money after lean budget years.

They ended negotiations Wednesday shortly after 10 p.m., saying discussions had stalled. Negotiators said they were close to reaching an overall deal to bridge California's \$26 billion deficit and allow the state to pay bills with cash rather than IOUs. But they had yet to reach agreement over permanent cuts to health and welfare programs, as well as education spending and borrowing from local governments.

"We are close, but there are still some difficult issues to be resolved," said Schwarzenegger spokesman Aaron McLear. "The governor has consistently supported repaying education, but he does not support the Democrats' efforts to slip in a constitutional amendment without going back to the people. The Democrats also are unwilling to make sufficient cuts to create a reserve that is desperately needed in this budget."

Senate President Pro Tem Darrell Steinberg said Democrats simply want to guarantee that schools get the money "they are owed," and that the change can be accomplished with "a simple statute."

A key problem for budget negotiators has been finding a way to cut education funds this year without undermining Proposition 98, the voter-approved constitutional amendment that promises a minimum level of state spending on schools.

Education receives about 40 percent of the state's general fund budget each year.

Schwarzenegger asked lawmakers on July 1 to suspend Proposition 98 and give schools about \$3 billion less than his Department of Finance believed they were owed for the current 2009-10 fiscal year. That prompted a backlash from education groups, including the California Teachers Association, which launched a \$1 million ad campaign against the governor.

But lawmakers, working with budget aides and the Department of Finance, found a maneuver to avoid suspending the guarantee in the past week. The move relies on an accounting change in which the state would reassign \$1.6 billion in funds that were dedicated to last year's school budget, sources said.

While it was once believed the state could not reclaim last fiscal year's education money after June 30, the current plan suggests the state can reduce its school payment for last year because Controller John Chiang has not yet distributed that money, sources said.

To win school support for further education cuts this year, lawmakers and Schwarzenegger are also considering committing up to \$9.5 billion more to schools in future years. Education groups assert they were owed that money anyway, and Schwarzenegger believed as much on July 1, when he said "the education community is smiling today."

But the Department of Finance issued an analysis last week that determined the state did not automatically owe that payment to schools when taking lower June revenues into account.

School groups have sued to ensure that money would be paid, but they would prefer to have the Legislature settle the matter and avoid further litigation.

Lawmakers and Schwarzenegger did not set out to suspend Proposition 98, a politically perilous move that has occurred only with the blessing of education groups in the two decades since the initiative became law. But after leaders failed to agree on a stopgap education cut by June 30, Schwarzenegger believed the only way they could get the same savings in the fiscal year that began July 1 was by suspending the measure.

The California Teachers Association's ad blitz launched last week attacked the governor for proposing that move.

CTA spokeswoman Becky Zoglman said that lawmakers' focus away from such an action "is certainly encouraging, and they're doing the responsible approach. ... Voters strongly support minimum funding for schools, and we do hope they do come through with not suspending that law."

Legislative leaders are discussing other parts of the budget framework, including about \$14.5 billion in cuts during this fiscal year – more than the \$12 billion proposed by lawmakers but less than the \$16 billion sought by Schwarzenegger, sources said.

Schwarzenegger is pushing for permanent cuts in health and welfare programs that would save money in future years, though Democrats have questioned how much those cuts would actually save.

"This year we have to go and look at the budget, how do we fix it this year and also what effect will it have in the out-years ... so that in the future we can cut that line of spending increase," Schwarzenegger said Wednesday.

Beyond cuts, to bridge the rest of the \$26 billion gap, leaders are revisiting a plan to borrow \$2 billion in local government money, as well as targeting other revenue sources, such as local redevelopment agencies and highway users' gas tax funds, sources said. They also are considering shifts such as an accelerated tax payment schedule.

State leaders hope the deal will be credible enough to obtain short-term cash loans from Wall Street and end California's reliance on IOUs.

The state has issued \$588 million in IOUs so far this month, according to Hallye Jordan, the controller's spokeswoman. She said Chiang will stop issuing IOUs when he determines lawmakers and the governor have made enough cuts to ensure the state has enough cash to pay its bills.

Cal State system may raise student fees up to 20% more

LA Times

<http://www.latimes.com/news/local/la-me-calstate8-2009jul08,0,281706.story>

By Gale Holland
July 8, 2009

In a first concrete look at how California's fiscal crisis may dramatically reshape higher education in the state, California State University Chancellor Charles B. Reed said Tuesday that he will ask the university's trustees to approve an additional student fee hike of 15% to 20% for this fall, and enrollment reductions of 32,000 students in the year to follow.

The proposed increase would come on top of a 10% hike approved in May and would bring average yearly undergraduate fees to \$4,688 to \$4,861. That figure includes additional charges set by each campus, but not the cost of books, transportation or room and board.

The chancellor's announcement, at a special board session called to grapple with a funding shortfall of at least \$584 million projected for the Cal State system when the state budget is finally issued, came after Cal State faculty members bitterly denounced the trustees and Reed. The professors said the Cal State leaders had failed to fight hard enough for new taxes or other fiscal measures to forestall precipitous cost-cutting.

"The policy of appeasement has been a failure," California Faculty Assn. President Lillian Taiz told Reed and the board.

Reed said the university system, which starts fall classes in August, was running out of time and options.

"I have been in the public service business for more than 40 years, and never before have I ever seen such a devastating cut," the chancellor said.

Speaking to faculty members who lined up to publicly rail at administrators, Board of Trustees Chairman Jeffrey Bleich said, "If we divide and demonize each other . . . and point fingers and pretend it's someone else's fault, we're not going to advance at all."

Reed said much of the fee hike will be covered by financial aid increases and education tax breaks promised by the Obama administration, but several professors called that assertion "ludicrous."

"What this means is dreams deferred, poverty entrenched and the door to the middle class slammed firmly on poor and working-class people," said Rita Ledesma, a professor at Cal State L.A.

Reed said he would call on presidents of the system's 23 campuses to make further reductions

totaling \$192 million. He also warned of mass layoffs if the faculty union fails to go along with a separate proposal for a university-wide, two-day-a-month furlough plan designed to eliminate \$275 million of the \$584-million budget gap.

Two unions representing 21,000 of Cal State's workforce of 47,000 employees have tentatively agreed to either accept or negotiate the furlough proposal. But the faculty association, which represents 23,000 instructors and tenure-track professors, had demanded more information about how the overall deficit would be cut before polling its members.

Enrollment at Cal State, the nation's largest four-year university system, currently stands at about 450,000 students. Administrators plan to slash 2010-11 enrollment by raising admission standards, pushing up application deadlines and limiting admission for some students to their local campuses, officials said.

To spread the reductions throughout the four-year institutions, officials said, the restrictions will apply to transfer students as well as incoming freshmen. The university used similar methods in an attempt to reduce enrollment for the school year just ended by 10,000 students, but managed to bring the number down by only 3,000 to 4,000.

Reed said he will issue final recommendations by July 10, in time for a July 21 vote by the trustees.

"It's going to be a very sad year for California students and their families," said Cal State Fullerton professor Diana Guerin, a member of the university's statewide academic senate.

Solar Panels 101. A look at who's flocking to Austin Community College

MIKE AMES
Goodbye, medical-device manufacturing. Hello, solar panels

LUCAS STARBUCK
He's a personal trainer, another ACC specialty

EDUCATION

Can Community Colleges Save the U.S. Economy?

As laid-off workers add to surging enrollments, the White House looks to two-year schools for an educational bailout

BY LAURA FITZPATRICK/AUSTIN

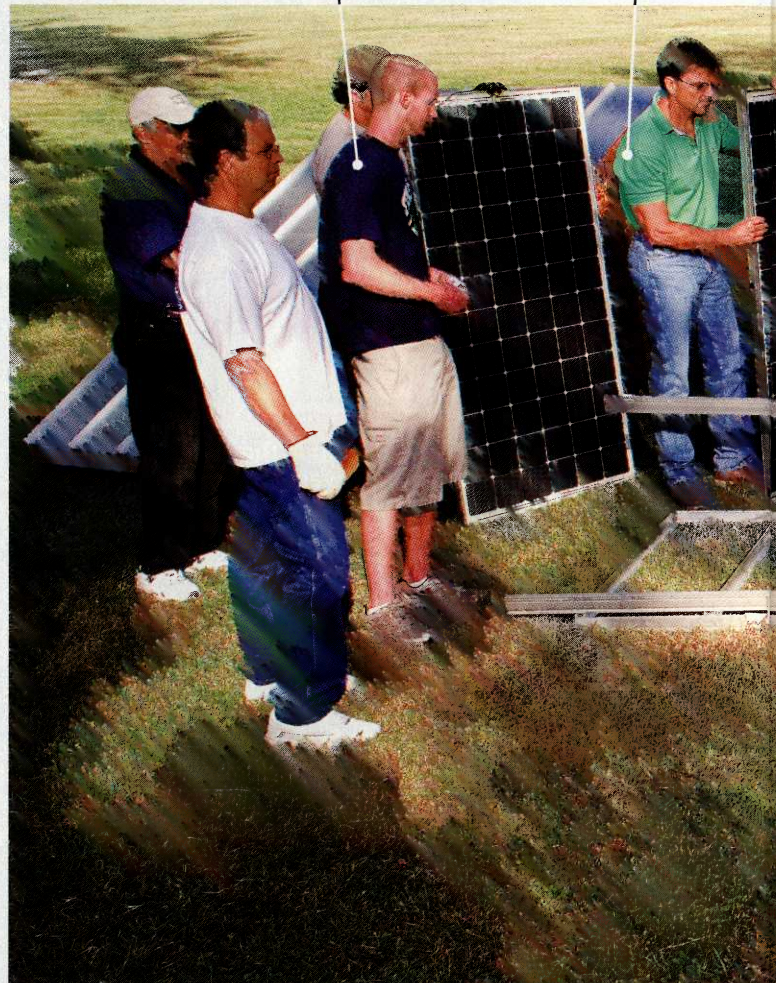
COMMUNITY COLLEGES ARE DEEPLY UNsexy. This fact tends to make even the biggest advocates of these two-year schools—which educate nearly half of U.S. undergraduates—sound defensive, almost a tad whiny. “We don’t have the bands. We don’t have the football teams that everybody wants to boost,” says Stephen Kinslow, president of Texas’ Austin Community College (ACC). “Most people don’t understand community colleges very well at all.” And by “most people,” he means the graduates of fancy four-year schools

who get elected and set budget priorities.

Many politicians and their well-heeled constituents may be under the impression that a community college—as described in a promo for NBC’s upcoming comedy *Community*—is a “loser college for remedial teens, 20-something dropouts, middle-aged divorcées and old people keeping their minds active as they circle the drain of eternity.” But there’s at least one Ivy Leaguer who is trying to help Americans get past the stereotypes and start thinking about community college not as a dumping ground

but as one of the best tools the U.S. has to dig itself out of the current economic hole. His name: Barack Obama.

The President hasn’t forgotten about the 30 or so community colleges he visited during the 2008 campaign. These institutions are our nation’s trade schools, training 59% of our new nurses as well as cranking out wind-farm technicians and video-game designers—jobs that, despite ballooning unemployment overall, abound for adequately skilled workers. Community-college graduates earn up to 30% more



JASON SOLIZ

He's an **Army veteran**. Some 40% of GI Bill beneficiaries pursue two-year degrees

JEFF PAPE

This software engineer and **former Google employee** has two master's degrees from **Stanford**

PHILIP SOWARD

With a **master's in management** from Boston University, he hopes to find a niche in green buildings for his landscaping and maintenance business

JOHNNY CASTILLO

Arriving at ACC **straight out of high school**, he is working at **Best Buy** and hoping a professor will help him get an internship at a solar-power company



than high school grads, a boon that helps state and local governments reap a 16% return on every dollar they invest in community colleges. But our failure to improve graduation rates at these schools is a big part of the achievement gap between the U.S. and other countries. As unfilled jobs continue to head overseas, Obama points to the “national-security implication” of the widening gap. Closing it, according to an April report from McKinsey & Co., would have added as much as \$2.3 trillion, or 16%, to our 2008 GDP.

Those lost jobs are why Education Secretary Arne Duncan declared in March that two-year schools “will play a big role in getting America back on its feet again.” Obama tapped two former community-college officials for top posts in the Education Department and in May announced a p.r. campaign—headed by Jill Biden, the Vice President’s wife and a longtime community-college professor—to raise awareness about the power of these schools to train new and laid-off workers.

But as record numbers of students clamor to enroll, community colleges are struggling with shrinking resources or, at best, trying to maintain the status quo. Even the school where Biden teaches, Northern Virginia Community College, has lost more than 10% of its funding in the past two years and has let go of dozens of full-time professors as it braces for more possible cutbacks. Elsewhere, state budget cuts have led to enrollment caps at some community colleges. And if there aren’t enough seats in classrooms, students can’t get certificates or

degrees, and skilled jobs remain unfilled. In short, as the Center for American Progress concluded in a February report, "America's future economic success may well depend on how we invest in two-year institutions."

Getting Students Ready to Work

THE 1,200 COMMUNITY COLLEGES IN THE U.S. are especially suited to helping students adapt to a changing labor market. While four-year universities have the financial resources to lure top professors and students, they are by nature slow-moving. Community colleges, on the other hand, are smaller and able to tack quickly in changing winds. They often partner with local businesses and can gin up continuing-education courses midsemester in response to industry needs, getting students in and out and ready to work—fast.

For example, when Austin's semiconductor industry started tanking in 2000, ACC quickly stripped down its chip-development courses and soon repurposed clean rooms for emerging green technologies. These days, it generally takes about six months of weekend classes to get qualified to be a solar installer, a job that can pay up to \$16 an hour. But starting in August, a compressed weekday program—catering to the recently unemployed—will allow students to cram the same courses into just two months. To earn an associate degree focusing on renewable energy—enough prep for a job as a solar-installation-team leader, which can pay up to \$28 an hour—an ACC student has to take a total of 69 credit hours of courses, including solar photovoltaic systems, programming, physics, algebra, English composition and lab work. Average cost per credit hour for most students at ACC: \$54.

Meanwhile, the building that houses ACC's renewable-energy program is chockablock with bulletin boards touting jobs. A city ordinance that kicked in on June 1 requires presale energy audits for many commercial buildings, apartment complexes and single-family homes, creating the need for more trained inspectors. Also, one of the

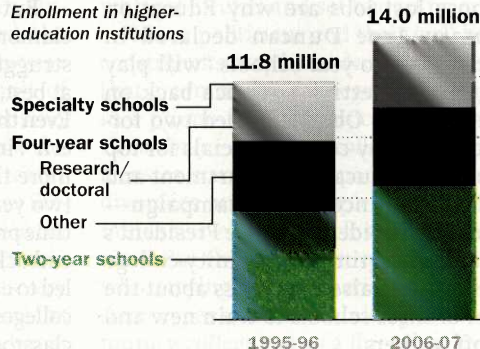


Prepping for green jobs Community-college students Fred Boncy, left, Keith Grosskopf and Alina Poulsen assemble a wind turbine in Austin, where renewable-energy firms are hiring

How Community Colleges Stack Up. 46% of U.S. undergrads go to two-year schools

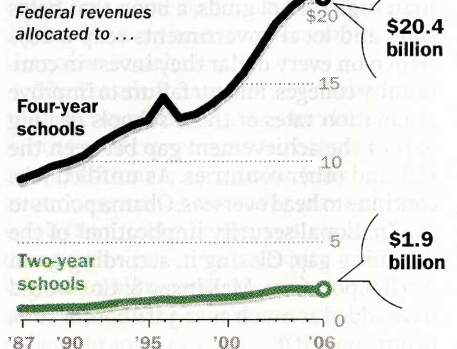
ATTENDANCE

Enrollment in higher-education institutions



FUNDING

Federal revenues allocated to ...



nation's largest solar-power plants is slated to be completed next year a mere 20 miles from Austin's downtown.

Of course, the future of the labor market is hard to predict. Hence a 2008 Labor Department study that found federal job-training programs may produce "small" benefits at best. But the outlook is promising so far at ACC: members of its Renewable Energy Students Association routinely field calls from prospective employers. "I'm well aware of how much money is going to be available from this education," says Duane Nembhard, 34, who dropped out of college but found his way to ACC last year.

To make that money, however, students like Nembhard need to get their degrees—and the statistics are disheartening. Only 31% of community-college students who set out to get a degree complete it within six years, whereas 58% of students at four-year schools graduate within that time frame. Students from middle-class or wealthy families are nearly five times more likely to earn a college degree as their poorer peers are. In 2007, 66% of white Americans ages 25 to 29 had completed at least some college, compared with 50% of African Americans and 34% of Hispanics.

While the U.S. ranks a respectable second (after Norway) in producing adult workers with bachelor's degrees, it has slipped to ninth in producing working-age "sub-bachelor's" degree holders, which is one reason Obama is working on a plan to help every American get at least one year of college or vocational training. "If you're going to increase the population that has some college, it isn't going to be among upper-middle-class white people," says Thomas Bailey, director of Columbia University's Community College Research Center. "Community colleges will have to play a central role."

That is, if they have enough resources to handle all the students. Chronically cash-starved, two-year schools pull in an average of just 30% of the federal funding per student allocated to state universities—though they educate nearly the same number of

undergraduates. (Even after you account for the academic research that goes on at four-year schools, experts say community colleges still get shafted.) Two-year schools have been growing faster than four-year institutions, with the number of students they educate increasing more than sevenfold since 1963, compared with a near tripling at four-year schools. Yet federal funding has held virtually steady over the past 20 years for community colleges, while four-year schools' funding has increased.

Saving Cash, Living at Home

COMMUNITY COLLEGES ARE USED TO DOING more with less. But this recession has led to record enrollment surges at many two-year schools, in part because of the influx of laid-off workers but also because more members of the middle class are looking to save money on the first couple of years of their children's higher education. Among them is Bruce Anderson, an Austin attorney who has lost nearly a third of his savings since the recession began and doesn't want to sideline his kid while waiting for the market to come back. His son Tyler will start at ACC this fall and, as long as he lives at home, will save the family about 90% of the annual tab at a four-year residential college. "He can get his basic core courses out of the way at ACC and then do his focus for his major at a four-year institution," Anderson says.

But as more students like Tyler enroll, classes are maxing out. Community colleges, which pride themselves on being open to all, rarely cap enrollment outright, as state universities in places like Arizona and California will do this fall. Miami Dade College, the country's largest community college, admitted on May 28 that state budget cuts will force it to forgo adding hundreds of class sections. As many as 5,000 students will be unable to enroll, and 30,000 may be unable to take the classes they need in order to graduate. In California, where Governor Arnold Schwarzenegger remains a champion of community colleges, having

studied at one, as many as 200,000 would-be students may get squeezed out of higher education next year.

Taken together, skyrocketing enrollment and shrinking budgets could mean that just as record numbers of students seek out a community college, earning a degree from one may be harder than ever. Says Melissa Roderick, a professor at the University of Chicago who studies school transitions: "This group of kids will pay a high economic price if we don't step up as a nation."

What would stepping up look like? For starters, Congress needs to double the federal funding for these schools, according to a May report from the Brookings Institution. But, the report argues, to truly "transform our community colleges into engines of opportunity and prosperity," funding needs to be tied to performance in areas like degree completion—a model some states, including Indiana and Ohio, are already trying. The City University of New York has rigged up an experimental program that requires its community-college students to take intensive remedial courses if they aren't prepared to do college-level work. Begun in 2007 with the goal of getting at least half of the study's 1,000 participants to graduate from college in three years, it's showing initial signs of success. Other colleges are redoubling their retention efforts. And last fall, the Bill & Melinda Gates Foundation announced up to \$500 million in grants, aiming to double college-completion rates by 2025. As Sara Goldrick-Rab, an assistant professor at the University of Wisconsin at Madison and co-author of the Brookings report, puts it, "Money speaks louder than anything."

Ultimately, community-college administrators hope their schools will emerge stronger from the downturn as it highlights their potential for juicing the economy. "In some ways, the terrible nature of the economic recession will actually help people understand [community college]," says Kinslow. "People are going to be forced into looking at it more carefully." ■

COST

Average tuition and fees, 2006-07

Four-year public research/doctoral school

\$6,197

Four-year private research/doctoral school

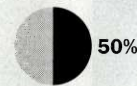
\$26,515

Two-year school

\$2,510

GRADUATION

Within six years



BOOSTERS



Melinda and Bill Gates have donated millions to increase the number of two-year-college grads



Joel McHale will star in NBC's *Community*, which could be to two-year schools what *The Office* is to cubicles



Jill Biden teaches at a two-year school and, as the *Veep*'s wife, is leading the White House p.r. effort

Guaranteed school funds complicate budget

http://www.sacbee.com/politics/story/2014812.html?mi_rss=State%2520Politics

SacBee

By Kevin Yamamura

Friday, Jul. 10, 2009 - 12:00 am | Page 3A

As the budget clock ticked, the state's school funding guarantee complicated talks this week due to questions over how much money the state owes education now and in future years.

Gov. Arnold Schwarzenegger and lawmakers have consulted the state Department of Finance and the nonpartisan Legislative Analyst's Office to resolve education questions so negotiators could use the same set of assumptions.

Education funding is roughly 40 percent of the state's general fund budget, so any change in the Proposition 98 school formula has a significant impact on how much money is available for other budget needs. State leaders had to revisit the convoluted formula's numbers after Schwarzenegger and Senate Republicans blocked a stopgap plan last week that changed various budget assumptions.

The Department of Finance issued two new scenarios Wednesday. But Finance Director Mike Genest said the department is sticking with its July 1 proposal with an estimated \$26.3 billion deficit.

Schools are among the most powerful lobbying groups in the Capitol, so lawmakers are trying to craft solutions that avoid their ire. In particular, lawmakers have asked the Legislative Analyst's Office whether there is a way to balance the budget without temporarily suspending the state's Proposition 98 guarantee to schools.

"We're still crunching the numbers and playing out all the implications," said Michael Cohen, LAO deputy legislative analyst.

Schwarzenegger asked lawmakers last week to give schools \$3 billion less than Proposition 98 guarantees. The California Teachers Association on Thursday launched \$1 million in ads statewide opposing such a move and attacking the governor.

Schwarzenegger said Monday that school funding is "a very, very complicated issue."

"There are very, very few people that know really exactly what happens, do we need to suspend it, can we do it without suspension, what does that mean, the kind of revenues that we anticipate and all of this," Schwarzenegger said.

The Department of Finance offered two scenarios Wednesday, based on lower June revenue, that it believes would eliminate a \$9.6 billion long-term payment the state would owe to schools under Proposition 98. Democrats and education groups believe the state owes that money regardless of Finance's interpretation.

The new scenarios would not significantly change the amount of money paid to schools in 2009-10, but they would alter calculations that define school funding for years to come – a point of contention for school groups.

In other budget news, the 9th U.S. Circuit Court of Appeals upheld a lower court ruling that blocked a 10 percent pay cut to Medi-Cal providers last August. The court ordered the state to repay providers \$111 million, about half of which would come from the general fund.

Steinberg said Wednesday the "Big Five" group of legislative leaders and the governor had not met since Monday because they were waiting for the governor to offer a proposal answering education questions.

The Governor's Office and Genest downplayed that portrayal. Genest said the governor's proposed solutions remained the same in any of the scenarios.

L.A. City and Trade-Technical colleges placed on probation

LA Times

<http://www.latimes.com/news/local/la-me-college-probation10-2009jul10,0,1257940.story>

By Gale Holland

July 10, 2009

Two Los Angeles community colleges have been placed on probation by a regional accrediting commission, which faulted L.A. City and Trade-Technical colleges for inadequate planning and evaluation of the effectiveness of student programs.

The sanction is the second of four increasingly serious actions that can be brought by the Accrediting Commission for Community and Junior Colleges, which has jurisdiction over institutions in California, Hawaii and elsewhere. Failure to correct the problems could result in the colleges losing their accreditation, although that rarely happens, educators said.

Officials at Trade-Tech, south of downtown, and L.A. City College in Los Feliz, said the problems the commission identified did not reflect on the quality of instruction at their institutions.

"They really are sort of technical issues," said Gary Colombo, vice chancellor for institutional effectiveness at the Los Angeles Community College District, which operates nine campuses, including Trade-Tech and L.A. City College.

"Would we think a hospital review of a patient death was just a technicality?" responded Barbara Beno, president of the accrediting commission. "Two-year colleges have a lot of students entering, but by the time they get to graduation, the numbers are way down . . . We want to get institutions to focus on student success, and I don't consider it to be a technical issue."

The commission in recent years has raised its standards, resulting in more scrutiny of how well two-year colleges educate students and whether students complete certificate and degree programs or go on to four-year institutions, several educators said. At its June meeting, the group issued warnings to nine institutions, including East Los Angeles and Pasadena City colleges, and extended earlier warnings for four others. Los Angeles Southwest College, placed on probation in June 2008, had that sanction lifted at the meeting.

"In this era of a huge push to get people through [college], it's no longer good enough to say we don't know who's there for what, and what happens to them," said Nancy Shulock, executive director of the Institute for Higher Education Leadership and Policy at Cal State Sacramento.

The commission said L.A. City College needed to better utilize research and program review to improve student learning and support services. Trade-Tech was told to forge stronger links between its program review and its planning functions and allocation of resources, and to restructure how the campus is governed.

Marcy Drummond, acting president at Trade-Tech, said Thursday the college was already working on the problems and expected to be off probation by next year.

"We have a game plan, and we've been implementing the game plan," she said. "The accrediting commission has really upped their standards, and I agree with the standards. We strive for excellence, and these are excellent standards."

L.A. City College administrators could not be reached for comment. Colombo said he anticipated L.A. City College's sanction to be removed by next June.

When a college loses its accreditation, its course credits are not recognized by other institutions in the state and it cannot award financial aid. Compton Community College is one of the few two-year colleges in the state to have had its accreditation pulled. The college was taken over by the state in 2004 and has become a satellite of El Camino College in Torrance.

Money on Their Minds

InsideHigherEd.com

July 15, 2009

Financial concerns have dominated the agendas of college governing boards in the last year, and trustees at private institutions have been more occupied with finance and enrollment issues than academic programs, according to a report released today by the Association of Governing Boards of Universities and Colleges.

The AGB Survey of Higher Education Governance asked 700 institutions about their boards' work, providing a window into how trustees have navigated the rocky terrain of the economic downturn. Respondents to the survey were given a list of dozens of concerns to choose from, and those at public and private institutions all ranked academic programs in their top five. Academics came in at No. 2 on the list of trustee agenda items at publics, compared with private institutions where such programs came in at No. 5 – last on the list.

Susan Whealler Johnston, executive vice president of AGB, said she was heartened to see boards showing sincere interest in academic quality.

“I was glad to see athletics wasn’t on [either] list,” she said.

The respondents to the survey included chancellors, presidents and board professionals -- not the trustees themselves.

What are the Board's Top Agenda Items?

Private Institutions	Public Institutions
1. Finances	1. Finances
2. Strategic Planning	2. Academic Programs
3. Fundraising	3. Strategic Planning

4. Enrollment	4. Facilities
5. Academic Programs	5. Enrollment

In what may be another indication of trustees' increased focus on finances, the survey found that three-quarters of all boards provide training for members in financial management of higher education. Institutions with larger budgets were the most likely to have such training. Johnston called the prevalence of finance training a "very good sign."

"Higher education finance is different from the kind of financial experience or information many board members come to their trustee service with," she said.

The need for additional training, however, reflects the increased complexity of a college trustee's job. As these positions become more demanding, a significant number of colleges are reporting problems recruiting the best and brightest for their boards. Indeed, 24 percent of respondents at private institutions and 19 percent of public respondents said it is "harder or much harder" to recruit good board members than it was five years ago.

A Good Trustee Is Hard to Find

While respondents attributed some recruitment problems to the demands of the position, others noted that prospective board members are skittish about being hit up for donations. Some would-be board members also describe what the report terms "Enron fear," saying they are reluctant to oversee financially fragile institutions in an era of greater demands for accountability and transparency, according to respondents.

"That's troubling to me," Johnston said of the response.

The AGB report comes as questionable trustee behavior has been much in the news. The admissions scandal at the University of Illinois, for instance, has put a harsh spotlight on trustees, some of whom have "pursued personal interests" while on the board, according to former university leaders. A series of stories in the *Chicago Tribune* have indicated trustee involvement in the university's "clout list," which allowed some politically connected applicants to gain admittance over the objections of admissions officials.

While ethical lapses aren't without precedent for governing boards, Johnston says the surveys suggest most are trying to do the right thing. Of those who responded, 89 percent said they have a conflict of interest policy. That's compared with 46.5 percent who had such policies in 1986, according to the AGB.

Having a policy doesn't necessarily ensure ethical behavior, but it's a start, Johnston said.

"If you don't have the policy, chances are good that you haven't thought about it at all and your practices may be way off-kilter," she said.

One of the functions of governing boards that garners the most public attention is the setting of presidential compensation levels. The inflation of presidential compensation has drawn critics, particularly at public institutions, in recent years. Not surprisingly, trustees are looking at other institutions to determine what to pay their own college chiefs. Indeed, about 80 percent of respondents said their institutions used some form of comparable data to determine presidential compensation.

By and large, governing boards are also inclined to evaluate presidents with regularity. Of those who responded to the AGB survey, 86 percent of private colleges said they conducted annual performance reviews. Among public institutions, 92 percent said they conducted annual reviews.

AGB member presidents and board chairs will receive a free copy of the report. To purchase a copy, visit the [AGB Bookstore](#).

This story has been corrected from an earlier version to reflect that the respondents only included chancellors, presidents and board professionals.

— **Jack Stripling**

Obama to Propose Graduation Goal and \$12-Billion in Programs for 2-Year Colleges

The Chronicle of Higher Education

<http://chronicle.com/temp/email2.php?id=dRttKcRPwd9fhvkXszybvBzzxd8RwvKZ>

July 14, 2009

By SARA HEBEL

President Obama will call on the nation's community colleges today to produce five million more graduates by the year 2020 and will propose spending \$12-billion over 10 years to improve programs, courses, and facilities at two-year institutions, White House officials said on Monday.

The president's announcement, scheduled for this afternoon at Macomb Community College, northeast of Detroit, propels community colleges to an unusually prominent position in the federal higher-education policy arena.

Mr. Obama's plans would have to be adopted by Congress to take effect. Administration officials said they expected the community-college proposals to be considered as part of broader higher-education legislation Congress will take up over the next few weeks to overhaul student lending and make other changes in student-aid policy. That legislation could free up billions of dollars for student-aid programs and the administration's community-college proposals if Congress goes along with the president's plan to end the bank-based guaranteed-loan program.

The goal President Obama will set today for moving more people through two-year campuses is a means to achieving the broader benchmark he established earlier this year for the United States to have the world's highest proportion of college graduates by 2020, James Kvaal, special assistant to the president for economic policy, said in a briefing with reporters on Monday evening.

The proposals also reflect the president's view "of the centrality of community colleges in providing higher-education opportunities and promoting higher levels of educational achievement," Mr. Kvaal said.

Grants for Promising Practices

Most of the money the president is proposing to spend on community colleges—about \$9-billion—would go toward creating two grant programs for two-year campuses and states to test promising programs and practices, including those designed to improve student learning and training, increase completion rates, and better track student progress.

A "challenge grant" program would award funds on a competitive basis to community colleges that planned to put in place new partnerships, training, student services, and other programs that have proved promising, Mr. Kvaal said.

White House officials want to use the "challenge grants" for a number of purposes, he said, including to help community colleges work with businesses to develop curricula that can better meet employers' needs; to foster closer connections among community colleges, four-year colleges, and high schools to align requirements and make it easier for students to transfer academic credit; and to help community colleges improve remedial education for students who need extra help to prepare for college-level work and adult education.

The second program President Obama will propose is an "access and completion fund," according to the White House. That program, too, will give money to community colleges to test promising ideas, such as providing performance-based scholarships to reward students who make progress toward graduation. It will also make money available to states to, among other things, help them develop data systems to track student progress at community colleges and to measure campuses' graduation rates and the employment outcomes for their students.

Money for Facilities

On another front, the president will propose providing \$2.5-billion to help community colleges repair and upgrade their facilities. Administration officials said they estimated that the money would spark a total of \$10-billion in construction at two-year institutions because the federal funds could be used to support other spending on facilities. For example, the federal dollars could pay interest on bonds or loans, start fund raising for capital projects, or open revolving-loan funds in states.

"Many community colleges were built decades ago, and they have outdated facilities," Mr. Kvaal said. That's a barrier to technical training, he said, and means that many campuses suffer from a lack of classroom space.

Finally, the president plans to propose using federal funds to bring together experts to develop online course materials that are designed to improve student learning, including through multimedia courses and other interactive technologies. The courses would be made available at no cost to students and others through community colleges and the Department of Defense's Advanced Distributed Learning Initiative, which has worked to identify and develop information technologies that advance learning.

Gail O. Mellow, president of La Guardia Community College, part of the City University of New York system, called the president's planned announcement "an extraordinary moment" for community colleges and said the level of federal spending being proposed would be "a game changer" for institutions like hers.

"For the first time, the federal government is recognizing that community colleges are really the bedrock," she said.

Ms. Mellow said the money could not come at a better time for her institution, which she said is "bursting at the seams." She said she especially welcomed the focus on data gathering and hoped that the president's plan would lead to the development of national gauges to track the five million students who are enrolled in noncredit courses at community colleges.

Most states and the federal government do not keep information about students in those courses and how well institutions prepare them for jobs, Ms. Mellow said. Giving community colleges a way to measure how well they help those students, she said, "would make an extraordinary difference."

Obama unveils plan to invest in community colleges

LA Times

By Peter Nicholas

July 15, 2009

The president says he intends to inject \$12 billion into the nation's two-year schools over the next 10 years to help struggling workers prepare for new careers.

-- With unemployment continuing to climb, President Obama on Tuesday unveiled a plan to pump \$12 billion into the nation's community colleges over the next 10 years to help struggling workers prepare for new careers, saying a better-educated workforce was crucial to long-term prosperity.

"Time and again, when we have placed our bet for the future on education, we have prospered as a result -- by tapping the incredible innovative and generative potential of a skilled American workforce," Obama said.

In his appearance here at Macomb Community College and earlier in the day in Washington, Obama sought to draw a direct connection between recovery from the economic crisis and a broad array of administration initiatives, including education, the stimulus package and overhauling the healthcare system.

Before flying to Michigan, Obama acknowledged that unemployment might "tick up for several months," but he said his prescriptions, taken together, offered the best hope for creating jobs.

And here, in a state where the jobless rate tops 14% compared with the national average of 9.5%, the president pointed to the healthcare debate raging in Congress and said stabilizing medical costs was crucial to restoring prosperity.

"Now is the time to build a firmer, stronger foundation for growth that will not only withstand future economic storms, but that will help us thrive," he said on the Macomb campus. "To build that foundation, we have to slow the growth of healthcare costs that are driving us into debt."

He took a barely veiled shot at Republicans, who were in power when the recession began but who have relentlessly attacked his recovery plans.

"I love these folks who helped get us in this mess and then suddenly say, well, this is Obama's economy. That's fine. Give it to me," the president said. "My job is to solve problems, not to stand on the sidelines and harp and gripe."

Obama added: "The hard truth is that some of the jobs that have been lost in the auto industry and elsewhere won't be coming back. They are casualties of a changing economy."

He argued that community colleges could play an important role in helping displaced workers build new careers, but that they needed more resources at a time when state and local budget

problems could lead to capped enrollments and fewer course offerings.

Obama's education plan would provide funds for new construction, online education and competitive grants.

About 6 million people are enrolled in community colleges in the U.S., but nearly half fail to complete degree and certificate programs, according to government figures.

The administration seeks to boost the number of graduates by 5 million over the next decade.

Obama, apparently mindful of polls showing many Americans are worried about the steep rise in government spending to combat the recession, noted that the school aid "isn't adding to the deficit."

Rather, he said, the money will come from ending subsidies to banks and private student loan companies.

Obama's appearance here came as Republicans pounded the argument that his economic policies were faltering. Rep. Dave Camp (R-Mich.) held a news conference Tuesday timed with the president's visit to criticize his performance.

"Look, the stimulus bill hasn't worked, and it was sold as something that had to be done immediately, that would create jobs immediately, that it would have an immediate effect," Camp said.

Fighting back, the Democratic National Committee alerted reporters to a news release issued by the congressman's office in April touting a \$12.7-million grant for a local airport -- money that was part of the stimulus program. In the release, Camp said the project would "stimulate the area's economy, help create new long-term job growth for the region and improve the airport experience for area travelers."

After leaving Michigan, Obama flew to St. Louis to throw out the first pitch at Major League Baseball's All-Star game.

Obama's Ambitious Plan for Community Colleges Raises Hopes and Questions

The Chronicle of Higher Education

July 15, 2009

By MARC PARRY and KARIN FISCHER

The former pastry chef studying for a fresh start as a clinical therapist. The professor who gets so many calls from laid-off autoworkers he can recite them by heart. The college president coping with 300-person waiting lists.

Their struggles framed the backdrop on Tuesday as President Obama visited Macomb Community College here, outside Detroit, to propose an unprecedented federal infusion of dollars for two-year colleges.

“All too often, community colleges are treated like the stepchild of the higher-education system,” Mr. Obama said. “They’re an afterthought, if they’re thought of at all.”

Mr. Obama drew on Macomb’s stories to argue his case for Washington’s need to start thinking seriously about community colleges. Some 1,500 people gathered on bleachers to listen, thrilled by the unusual spectacle of a president rolling out a major new policy proposal while facing a community-college parking lot.

Interviews with Macomb students, professors, and outside experts on Tuesday hinted at how the president’s lofty talk of “historic” changes might play out on the concrete pavement of one community college. Hope and praise abounded. But there were also unanswered questions and ample skepticism, as Macomb tries to reinvent itself in a region that made its own history recently with the bankruptcies of General Motors and Chrysler.

When the unemployed refugees of those companies look for retraining, one person they call to learn about options is Arthur W. Knapp. Over eggs and home fries at Andrea’s Garden, a diner across from the campus, the professor of electronic-engineering technology dropped his head and chuckled as he recited the all-too-similar queries. Not so funny is the script’s inevitable conclusion: “Where am I going to get a job?”

Mr. Knapp tries to be optimistic. What he knows is that Macomb is already swamped with students. So when he hears Mr. Obama set down the goal he did on Tuesday—five million more Americans earning college degrees and certificates over the next decade—his questions run from financial to purely logistical.

If the proposed \$12-billion were divided among the country’s 1,000-plus community colleges, can that realistically produce the five-million number? And if you bring in more students, where will you put them?

“What are you going to do, put a tent out on the lawn?” asks Mr. Knapp.

It’s a crucial topic, judging by the vigorous cheering Mr. Obama received for what an unlikely applause line in a typical political speech: “We’re going to back \$10-billion in loans to renovate and rebuild college classrooms and buildings all across the country.”

'Nowhere Near Enough'

The infrastructure money is vital, several experts said, as the surge in students further strains a worn infrastructure. Between the 2001-2 and 2005-6 academic years, nearly 2.3 million new students enrolled at community colleges, the greatest enrollment boom since the 1960s, when many of the institutions were founded. At the same time, two-thirds of all state community-college systems report deferred maintenance needs, according to a 2007 survey by the Education Policy Center at the University of Alabama. Ten of those states said they had “significant” increases in deferred maintenance.

Insufficient classroom space is a problem that can force students to delay courses. Completion rates can fall as a result, the White House argues. Mr. Obama's proposed solution: a \$2.5-billion fund “to catalyze \$10-billion in community-college facility investments,” money that can be used to pay the interest on debt, create state revolving-loan funds, and kick-start capital campaigns.

There has been no major federal program for community-college construction and renovation since the 1960s, when the government gave out \$1-billion annually between 1965 and 1970, said Stephen G. Katsinas, the policy center’s director.

“It’s probably not enough; it’s probably nowhere near enough,” he said of the \$2.5-billion proposal. “But this is the first administration since Lyndon Johnson to see the need.”

Michael J. Balsamo voiced excitement that President Obama saw the need to help community colleges put classes online, too. As he waited with hundreds of other spectators to cross through the security checkpoint for the president’s speech, the associate dean of business at Macomb said more online classes could attract extra students without filling up already maxed-out classrooms. It could also help retain students, he said, because those who are unemployed may abandon their studies once they find jobs.

Mr. Obama addressed the topic directly in his speech, calling for an online, open-source clearinghouse of courses so that “community colleges across the country can offer more classes without building more classrooms.”

The bulk of the money Mr. Obama proposed is for a pair of new grant programs for states and two-year institutions to test promising programs and practices, including those meant to improve student learning and training, increase completion rates, and better track student progress.

Ask Macomb’s president, James Jacobs, what the potential impact could be, and he describes the nursing program with a 300-person waiting list, and the need for new equipment and courses in

the field of alternative-fuel vehicles. The Obama proposal could be a “stimulus” for such occupational programs, he said.

Uniting 2 Causes

While many observers called the \$12-billion proposal an unprecedented investment by the federal government in community colleges, they cautioned that money alone won’t solve the problems Mr. Obama has described.

In many parts of the country, there is a longstanding separation between community-college and work-force-development officials and, within community colleges, between academic divisions and those that focus on job training and vocational skills, said Julian L. Alssid, executive director of the Workforce Strategy Center, a research group in New York.

With that mandate, Mr. Alssid said, the president is “really saying the two are inseparable.”

But Mr. Obama’s proposal is just that, a proposal, and how it takes shape as it moves through the legislative process will very likely determine its efficacy, a number of observers said.

“You’ve got to go from a strong vision to strong practical application,” said Steven L. Johnson, president of Sinclair Community College, in Ohio.

One question, said Alicia C. Dowd, an assistant professor of higher education at the University of Southern California, is how the grants will be awarded. (A spokesman for the president, Shin Inouye, said only that the grants would be competitive among both states and individual colleges, and that the administration would work with Congress to complete the details.)

Ms. Dowd, who has worked on issues of community-college access and retention as co-director of the university’s Center for Urban Research, said she worried that some processes could favor wealthier institutions. The colleges she works with, which serve largely low-income, minority student, often don’t even have grant writers, she pointed out.

For all the policy talk, weighing most heavily on the minds of some students was the toughest thing for Mr. Obama to deliver: jobs. These students talked about how you go to college now for hope, not for a firm job guarantee like before.

Pamela M. Shropshire, a former pastry chef now hoping for a career as a clinical therapist, talked of how her three children all plan to live outside of Michigan after college.

“And if things don’t get better,” she said, “once I’m done with school, I may have to consider moving away from Michigan as well.”

Personnel Matters Private for University Leaders? Not in Nevada

The Chronicle of Higher Education

July 15, 2009

By ASHLEY KILLOUGH

What happens in Vegas stays in Vegas—unless you're the president of the University of Nevada at Las Vegas. In a daylong meeting broadcast online last week, David B. Ashley, the president, was repeatedly grilled, and then publicly demoted, during a contentious gathering of the university system's Board of Regents.

The shakedown followed months of public disputes over the conduct of Mr. Ashley's wife and heated exchanges between him and the university system's former chancellor, James E. Rogers. Left in its wake were an ousted president with a tarnished reputation and a state that could have a tough time attracting new leaders.

Last Friday's meeting opened with a pledge of allegiance and closed six hours later with the banging of the gavel, finalizing Mr. Ashley's demotion. Not surprisingly, the president described the public process as one he would "not recommend to anyone, anywhere."

About 645 other "unique visitors" watched the Webcast, according to the server log. And now anyone can view the archived footage on the Web site of the College of Southern Nevada, which is part of the university system.

In 2005, Nevada's State Legislature amended its Open Meeting Law to require personnel sessions regarding university presidents to be held publicly. Last week marked the first time regents of the Nevada System of Higher Education voted not to renew a president's contract in an open meeting.

The State of Florida had a similar policy in the 1980s in which its higher-education system's governing boards conducted presidential evaluations in public. State leaders worried that the policy was hurting Florida's ability to recruit presidents, causing the state to change the law and keep personnel sessions under wraps.

A leading executive search recruiter says Nevada faces a similar dilemma: Who would want to be president in a system in which he or she could one day face the same public tribunal?

"It's going to be very hard under this combination of circumstances to get a rational person to agree to look at that job. It begs the question that if they got someone, they'd be a very naïve person," says the consultant, who asked not to be identified to protect job prospects. "If I were the president they just demoted, I would be talking with an attorney because this is absolutely career-damaging."

Mr. Ashley wasn't the only president on the stand Friday. Earlier this year, the system's board asked John D. Welty, president of California State University at Fresno, to do an evaluation of Mr. Ashley's performance. It is the system's standard procedure to have its presidents evaluated by another university president. While the findings came back with what some have called "glowing" reviews, the regents disagreed and questioned Mr. Welty for more than an hour at the meeting.

The search consultant says this will probably turn off presidential evaluators from doing business in Nevada. "All of this is shocking that they did that kind of review in the public eye. It really demeans the president who did the evaluation."

Lonely Out in Front

At the meeting, Mr. Ashley sat by himself at a long table in front of a 12-member panel of regents. Supporters and detractors were called to testify at a podium beside the president. While the subject of their praises and concerns sat a few feet away, speakers referred to him in the third person, as if he weren't even in the room.

"Sure, he's not perfect, no more than I'm not perfect and you're not perfect. He's only been in there for a few years. Give him a chance," said Fred Cox, a member of the UNLV Foundation Board of Trustees.

"For the amount of money we pay our president, I think we need a better return on our investment," said Jeff Knight, president of the university's Alumni Association

Alumni representatives faulted the president for skipping an important alumni tailgate at a football game. He also failed to attend a steak dinner sponsored by the association, the first time the university's president missed the event in 27 years.

Students, who turned out to be Mr. Ashley's strongest defenders, were unmoved by the president's party record. "I don't care about tailgates, as long as my degree is worth something. At the end of the day, I want UNLV to be recognized internationally," said one student, Vik Sehdev, citing the opening of the university's first overseas campus in Singapore last year.

Both regents and members of the public complained of the president's quiet, reserved nature—apparently an inadequate personality for Sin City.

"Las Vegas is a different type of city," said Henry Schuck, an alumnus. "The president is on TV all the time. To have a president who isn't out in front and not embracing that, this is a detriment."

Others used words like "brilliant" and "sweet" to describe the president before their criticisms, perhaps hoping to soften their blows.

“I like Dr. Ashley, but there’s a common point people make when you talk to Dr. Ashley. He gives you the look. It’s a nonresponsive, nonemotional, non-engaging look,” said Mr. Knight. “He’s not as personable as former presidents that we’ve had at UNLV.”

Despite Mr. Ashley’s four degrees in engineering—two from the Massachusetts Institute of Technology and two from Stanford University—some said he just wasn’t fit for the presidency. “You’re a C+ president in a situation where we need an honors student,” said Regent Robert J. Blakely.

Defending His Wife

Nevada law says that any subjects of a session have the right to receive in advance a written notice that details the time, place, and purpose of the meeting. Mr. Ashley received his notice, but his wife, Bonnie, who’s been the center of scrutiny for her alleged mistreatment of staff members, dodged attempts to be served notice. She apparently did not want to be the subject of the hearing.

As a result, lawyers sat on the sidelines to stop the meeting whenever the regents steered the focus toward Ms. Ashley, a topic the regents were eager to discuss. They blamed Mr. Ashley for not resolving the situation, leaving his wife and the staff members to “work it out.”

But when Mr. Ashley was allowed to talk about his wife without interruption, Regent Cedric Crear sternly confronted the counsel.

“David has spoken about his spouse. He has basically defended his spouse. He has basically stated her case, yet we are not able to speak about the issue whatsoever. That seems to not make sense to me,” said Mr. Crear.

Mr. Crear called for the record to show that he disagrees with the counsel, and Regent Mark Alden sided with him.

Lengthy Discourse

Clearly, brevity was not a priority. Regents often took two or three minutes to ask a question. Regent Ron Knecht went on for five minutes and six seconds in one of his queries. Testimonies lasted even longer.

But as the hours passed, regents rested their elbows on the table to prop up their heads, and their eyes started glazing over and turning toward their laptops. A few yawns escaped.

The regents questioned Mr. Ashley on his handling of the university’s budget problems and a staff issue involving the school’s hate-crime policy. They also pressed him on previous exchanges with Mr. Rogers, who tried to persuade the president to resign over the controversy involving his wife.

Minutes later, Mr. Rogers sat down three chairs away from Mr. Ashley to make his remarks. Candid in his criticism, he characterized Mr. Welty's evaluation as being close to "cronyism" and "whitewash." He was upset that Mr. Ashley bought a house 30 miles from Las Vegas and was bothered by the president taking credit for \$125-million in fund-raising contributions. According to development officers, he said, Mr. Ashley was kept on the sidelines and never did the closing on a major gift.

"He's one of the great minds in the country who has no ability to communicate," Mr. Rogers said. "David is an isolationist. He believes he's smarter than all of us."

Mr. Ashley, whose soft-spoken voice barely reached above conversation level, remained calm and collected. "I think people don't see the drama and passion in me, but anybody who works closely with me knows that it's there and that I'm passionate about the university."

Minutes later, all but one regent voted against renewing his contract. The regents voted unanimously to give him a tenured faculty position.

"It was a difficult thing to do," Mr. Blakely, one of the regents who voted against the president, said in an interview with The Chronicle. "The way I look at it, the university just lost a great man in the presidency. But it gained a great professor in the engineering department."

Schwarzenegger's call to suspend Prop. 98 jolts Capitol

SacBee

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Not once in the two decades since California's Proposition 98 school-funding formula became law have lawmakers bucked education groups to suspend it – so Gov. Arnold Schwarzenegger's push to do so has rocked the Capitol.

Neither Democrats nor Republicans are rushing to embrace the idea, but with tax hikes off the table, there may be no easy alternative in bridging the state's \$26.3 billion shortfall.

"I have six grandkids going to school," said Assemblyman Danny Gilmore, a Hanford Republican who remains undecided. "But there are going to be some tough choices here."

Schwarzenegger is asking lawmakers to resist opposition from every major education group, including the California Teachers Association, which has spent more than \$10 million the past two years on political causes and campaigns.

Adding to the high stakes, incumbents who vote to suspend the school-funding measure could be painted by future challengers as anti-education or insensitive to the needs of schools, a potentially explosive campaign issue.

But failure to suspend Proposition 98 and cut \$3 billion this year from schools and community colleges could force deeper cuts to prisons or social services that are high priorities for Republican and Democratic lawmakers, respectively.

The political dilemma is just one aspect of tense budget negotiations, but it's a powerful one, laden with potential fallout in targeting a system that serves millions of children.

"It's almost like the nuclear option," Assemblyman Warren Furutani, D-Gardena, said of suspending Proposition 98. "I don't want to go there myself, for sure."

"Our kids should be our top priority," said Republican Sen. Jeff Denham of Merced. "Suspending Proposition 98 should be the last thing we should be doing."

Assemblyman Roger Niello, R-Fair Oaks, said suspension is difficult for both parties to swallow, but perhaps unavoidable.

"I'm a realist," Niello said. "I do things I don't like to do sometimes."

Proposition 98, narrowly passed by voters in 1988, ensures a minimum level of funding, generally about 40 percent of state general fund revenue, for education.

The initiative has been suspended only twice, both times with the blessing of education groups. In 1989, schools agreed not to stake a claim on a quarter-cent sales tax hike for earthquake relief. In 2004, during a budget crunch, schools agreed to forgo \$2 billion in exchange for concessions to benefit teacher and other employee groups.

State schools Superintendent Jack O'Connell calls the governor's current proposal a "hostile suspension that is totally unacceptable."

Even without suspension, Proposition 98 funding has dropped from \$56.5 billion to \$50.7 billion in the one-year period that ended June 30 – and further reductions appear inevitable this year, with only the extent and the suspension in doubt.

"Education cannot be made a scapegoat for this recession," O'Connell said. "We need to have a well-trained, well-educated, analytical work force for the future."

CTA launched a statewide television advertising campaign Thursday to fight the proposed suspension, featuring a 30-second spot that urges Schwarzenegger "protect our schools and put our kids first."

"I think it's a very dangerous slope to consider the possibility of suspending Proposition 98," CTA President David Sanchez said.

Dan Schnur, director of the Jesse M. Unruh Institute of Politics at the University of Southern California, said CTA wields immense influence.

"It's hard to imagine putting together a two-thirds vote for suspension, or even significant cuts, without the union at least granting its tacit permission – and that's not going to happen without an extraordinary trade-off," Schnur said.

But Larry Gerston, a political science professor at San Jose State University, said not even Proposition 98 should be untouchable in a year of fiscal desperation that has sparked unprecedented measures, including a nearly 15 percent pay cut for state workers.

"I'm not saying the unions are going to like it, and I'm not saying that the unions aren't going to put up a fuss," Gerston said of suspending Proposition 98. "But tell me what else you do?"

Besides CTA, suspending Proposition 98 is opposed by the state's Education Coalition, which includes the California School Boards Association, Parent-Teacher Association and Association of California School Administrators.

"It's a manipulation of Proposition 98 so the governor can cut billions more from schools," said Robin Swanson, coalition spokeswoman.

Bob Blattner, an education lobbyist, said the proposal faces tough sledding.

"When you fight to defend Proposition 98, you're on the high ground, both philosophically and politically, because everybody loves schools, and all you need is a one-third vote in either house to block suspension," Blattner said.

Assembly Speaker Karen Bass, D-Los Angeles, and Senate President Pro Tem Darrell Steinberg, D-Sacramento, oppose suspension.

Schwarzenegger has signaled that he is willing to consider alternatives to suspending Proposition 98, but not tax increases.

"If the Legislature wants to avoid suspending Proposition 98, they must identify additional cuts, which they have failed to do," said Aaron McLearn, Schwarzenegger's spokesman.

Democrats blame the governor for creating pressures to suspend Proposition 98 by refusing to sign a stopgap, three-bill package that would have cut \$3.3 billion from the state's 2008-09 budget – including \$1.6 billion from public schools and community colleges – before this past fiscal year ended at midnight June 30.

Schwarzenegger initially had targeted public education for roughly \$3 billion in cuts over a two-year period. but failure to achieve a \$1.6 billion reduction in the first year prompted his proposed suspension to cut \$3 billion this year.

Schwarzenegger's proposal would reduce by \$1.4 billion the base used to calculate future school funding under Proposition 98.

State finance officials say California law requires the funding base to be restored once the economy improves – and federal stimulus money could help ease any short-term pain.

There is no guarantee that the state will recover quickly from recession, however. School officials fear that schools and community colleges could lose billions while waiting for restoration of the base from any Proposition 98 suspension.

Tarnished Jewel

InsideHigherEd

<http://m.insidehighered.com/news/2009/07/13/california1>

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There's blood in the water, and Vicki Ruiz knows everyone can smell it.

"The privates have come calling," says Ruiz, dean of the University of California at Irvine's School of Humanities. "I've lost very valued faculty members to Yale, to Northwestern, to Penn, to Pomona, to Scripps, as well as to even...."

Ruiz trails off, then gives a few more names, sounding a bit surprised to mention them: Lehigh University and Fordham University. Fine institutions to be sure, but not the sort Ruiz expects to lose to in a bidding war.

"We are not able to put together the counter offers that we have in the past," she says soberly.

These are far from the heady days of 2007, when Ruiz was named dean of Irvine's buzz-attracting School of Humanities. In that year, she hired 17 new professors. This year she hired four, even though nine searches had been planned. Ruiz has no illusions about returning to 2007 levels any time soon.

"We're going to be a smaller school," she says. "I think that's certainly in the near future."

The budget crisis facing the University of California, a 10-campus system serving 225,000 students, is without precedent. According to the latest projections – and these numbers change all the time – the system can expect last year's \$3.61 billion state budget to be reduced by about \$813 million or approximately 20 percent.

California Beating

This is the first in a series of articles on the state's budget crisis.

Subsequent articles will explore the impact on the California State University System and the state's community colleges.

The university, however, is well financed from other sources like private gifts and grants. Its annual budget is \$19.2 billion, only about 16 percent of which comes from the state. To put that budget figure into perspective, consider the fact that \$19.2 billion is actually slightly larger than

the gross domestic product of Mozambique. But while much of the larger university budget focuses on big research projects and specialized programs, the state funds are the key factor when it comes to paying for academic staffing and the undergraduate experience.

Given the university's dependence on state funds for vital aspects of operation, many university officials say the proposed cuts will force layoffs, damage retention, stall recruitment, reduce take-home pay for all employees, increase class sizes and limit accessibility – particularly for California's poorest students. There is even talk that the University of California cannot continue to exist as a 10-campus system, as evidenced by a letter from 23 San Diego department chairs who recently proposed that one of the younger campuses -- Merced, Riverside or Santa Cruz – be shut down.

A Difficult Case

Despite the dire warnings – and many say such doomsday scenarios are justified – the University of California in some ways has a difficult case to make. As one of the world's premier public institutions, faculty and administrators have to convince state residents that an \$813 million cut for a system with a total budget of \$19.2 billion will have devastating consequences. In short, they have to confront a public that may be asking: So what?

Jack Miles, a professor of English and religious studies at California's Irvine campus, concedes it's difficult to make the case for continuing a robust and expensive research enterprise when elementary school teachers are losing their jobs and the state is writing IOU's to pay its bills.

“It's harder now [to make that case] than it would be in flush times; I don't know that it has ever really been easy,” says Miles, the Pulitzer Prize-winning author of *God: A Biography*. “The American tradition has always struggled more than the European to be wholehearted in support of research or, on the side of the humanities, of arts or criticism.

“There are always people who call it frills and say ‘Who needs that? Who needs a symphony? Who needs a library?’ Those voices will always be around, and they become more compelling at a time of triage.... You may think that if you just provide the basics for everybody all will be fine, and you can skip the frosting on the cake. It may not actually work that way. It may be that you have to spend some money at the top.”

If the University of California hopes to sustain itself, officials will have to make a compelling argument that the state's economy is inextricably tied to the “frosting on the cake.” Officials have tried to make this case, but Miles sees the state's master plan – wherein the University of California serves as a research engine with competitive admissions for undergraduates, and California State University concentrates primarily on delivering bachelor's degrees and specific areas like teacher education, as well as providing master's programs – as threatened by the crisis.

“These cutbacks would simply blow the master plan finally and definitively out of the water,” says Miles, describing a worst case scenario. “UC would be no longer a research university; it would be cranking out bachelor's degrees. That's the darkest vision.”

Amid the cacophony of voices, however, are faculty who say the darkest vision is a trumped up scenario put forward by the leaders of a wealthy institution trying to reduce its bottom line. That's the case that was made by the leader of the University Council of the American Federation of Teachers, which represents lecturers and librarians in the California system. Arguing that employees should not be subject to furloughs or salary cuts, Executive Director Karen Sawislak questioned whether the state's undeniable financial crisis is in fact shared by the university.

"California's fiscal meltdown does not mean that UC is suffering an equally dire crisis," she wrote to the California president's office in an e-mail that's circulating among faculty members. "Indeed, many university operations (i.e., auxiliary enterprises, hospitals) generate substantial profits for the institution and fundraising and capital expenditures remain robust. The union does not yet see the justification for across-the-board cuts in employee compensation."

Furlough Proposal on Table

Seeking to cut costs, California President Mark Yudof laid out a proposal Friday that would mandate furloughs for all university employees paid with state funds, exempting those paid on grants and graduate students. Employees on the lowest end of the pay scale – making up to \$40,000 – would take 11 furlough days or the equivalent of a 4 percent salary reduction. For those making over \$240,000, 26 furlough days or the equivalent of a 10 percent salary reduction would be required. The proposal, which would generate an estimated \$515 million in savings, is headed for the Board of Regents' approval Wednesday.

In the interest of "equity," Yudof had considered forcing furloughs on employees who are paid without state dollars. He decided against that idea, which had been widely criticized by faculty who said it wouldn't generate savings and would make it impossible to hire postdoctoral researchers, who are the workhorses of any research enterprise. During a press conference Friday, Yudof said faculty dissuaded him of the notion that exempting some from furloughs would create two classes of employees and hurt morale.

"It could happen, yes, but I think the faculty has been quite mature about it," he said.

California's tenured and tenure-track faculty are not unionized, but about 35 percent of the system's other employees, including lecturers, are in collective bargaining units. Those employees will now have to decide whether to accept the furloughs or face layoffs.

The furloughs will only address about one-quarter of the state funding deficit. Program cuts and layoffs will be used to cover another 40 percent of the budget gap, and previously instituted student fees -- classified as tuition in other states -- will address an additional 25 percent of the deficit. The last 10 percent of the deficit will be met by cuts in the president's office.

The impact on hiring is expected to be substantial. At Berkeley, for instance, faculty searches are expected to fall from about 100 a year to 10 in 2009-10. There's concern, however, even about the few hires that may be authorized. Frances Hellman, chair of Berkeley's highly-regarded physics department, says she's not interested in undertaking a faculty search if there won't be sufficient funds to offer competitive start-up packages.

“I would rather not be trying to hire than to try to hire with my hands behind my back,” says Hellman, whose department has housed 20 Nobel laureates.

Amid all the doom and gloom, California officials are still talking about preserving excellence. But what does that mean in this environment?

“That kind of statement can either sound wonderful or it can sound like they’re going to ask me to do more for less pay,” Hellman says. “... I’m not going to ask [faculty and staff] to do the same amount of work for less pay. We’re going to have to find ways to eliminate pieces of jobs.”

Cutting Programs Great and Small

Few observers of California’s fiscal crisis say it will result in a fundamental reshaping of the higher education landscape, but it is certain to imperil some core services as well as some of the unique programs that have brought character to the system. Among these programs is the “Dickens Universe,” an annual event that draws hundreds of scholars and members of the public to California’s Santa Cruz campus for discussions of Charles Dickens and the 19th Century.

John Jordan, director of the Dickens Project, says the program expects to lose all funding within a year. This is regrettable for Jordan personally because he’ll potentially lose this part of his job if other funds aren’t located, but Jordan also says the community will miss out on something that had become truly special. Scholars present papers at the conference as they would at any other, but there are also dances, teas and wine tastings – all designed to bring the 19th century to life for a few days in Santa Cruz.

“This is the most important Dickens conference in the world, certainly the most important regular Dickens conference in the world,” says Jordan, a professor of literature at Santa Cruz.

The conference had an annual budget of \$64,000 a year, but with money getting tight the Dickens Universe was forced to compete with other multi-campus research programs for funding. Ultimately, outside reviewers considered 139 proposals and only funded 27 percent of them. The reviewers, who were faculty from California and many other universities across the country, sought to fund programs that have a systemwide impact and enhanced the university’s competitiveness. While many programs met that standard, the university only provided \$12.4 million in funding for the \$346.4 million in proposals submitted.

“Many excellent proposals are not funded,” Leslie Sepuka, a system spokeswoman, wrote in an e-mail to *Inside Higher Ed*.

Apart from niche programs like the Dickens Universe, cuts of major support services and degree programs are on the chopping block as well. The California Poison Control Center, which is administered by the university’s San Francisco campus, will be eliminated. That will make California the only state in the nation without poison control services. The Irvine campus has also halted admission to its doctoral program in education.

Higher Cost, Lower Quality

Even as California's students pay more, they find that they're getting less in the way of services. The Board of Regents approved a 9.3 percent tuition increase for next year, and Victor Sanchez is still trying to figure out what he's getting for his money. The Santa Cruz senior and Los Angeles native says the Ethnic Resource Center, which helped him acclimate to life in Santa Cruz, has curtailed programming and internship opportunities due to funding cuts.

"The folks who come here are witnessing and experiencing what are catastrophic times, and it's evident that we are paying a lot of money for what seems to be a lower quality education," Sanchez says.

Among the changes that will potentially distress students are reductions in academic offerings. The University of California at Los Angeles, for instance, is considering a proposal that would dramatically reduce offerings of English as a Second Language classes that are required for many students.

In recent years, UCLA has offered about 25 ESL courses during the traditional academic year. The chair of the department of applied linguistics, where ESL is housed, has now proposed that only about seven courses that receive state funding will be offered over the span of fall, spring and winter, according to a longtime lecturer in the department.

"I think there's a lawsuit here," says Linda Jensen, a lecturer who joined UCLA in 1988. "This is discrimination. UCLA tells them they have to take a class, and then they can only take it during summer school."

Olga Yokoyama, chair of the department, could not be reached for comment.

Many of the students in ESL classes are from lower socioeconomic backgrounds, and often seek work during the summers, Jensen says. Reducing ESL offerings during the academic year will make it more difficult for these students to work, and those international students who would otherwise return home will be forced to stay in the U.S. By moving the required courses to the summer, however, UCLA all but guarantees it will boost enrollment in more expensive summer classes.

"There's something very wrong with the educational system when it becomes just about raising money," Jensen says.

Dysfunctional Model

There is no question that California's fiscal crisis has prompted some serious soul searching. Russell Gould, chairman of the university's Board of Regents, announced Friday, for instance, that he and Yudof will co-chair a commission to examine fundamental questions about the university's future. How big should the university be? Should California change the way it delivers curriculum? What alternative revenue streams are available?

"We can't keep limping along like this from budget cycle to budget cycle," Gould said.

The commission is sure to run the numbers, issue reports and spark conversations across the system and in the Legislature. But the subtle changes that are already happening in California are, in many ways, the product of administrators and faculty making their own decisions about how best to move forward in a state where the economic landscape has shifted like the tectonic plates that lie beneath their feet.

During a recent meeting with fellow administrators, Stan Nosek illustrated the extent to which Californians in higher education are rethinking things. Nosek, vice chancellor for administration at California's Davis campus, is nearing retirement, and he now believes his position should be eliminated when he steps down. Since there will be so few capital projects in the near future, Nosek thinks it's best that his position be merged with that of the vice chancellor of resource management and planning, who oversees capital projects.

"It was kind of shocking to hear someone say 'I recommend that my position no longer exist,'" Nosek recalls of the meeting. "I think that was a point for a lot of folks that they said 'Wow this really is serious.' "

While Nosek's announcement had a dramatic effect, he fully acknowledges that a little administrative reshuffling won't come anywhere near addressing the University of California's fundamental problems. Like many in the system, Nosek sees the university's fiscal problems rooted in the state's political problems. To appease lawmakers, Nosek says the university has cut deals that weren't in its ultimate best interest.

"I certainly believe we have been part of the problem as far as leadership in higher education at UC, because we have allowed the political process to have too much influence on what we do in operating the university," Nosek said.

The university has turned to the political process through ballot measures, for instance, to try to fix its financial woes. University officials lobbied Californians intensely to pass the initiatives, which would have extended tax hikes to preserve a revenue stream for higher education. The initiatives failed, and Nosek was among the Californians to vote against them. He saw the measures as yet another example of California failing to address fundamental problems, and using accounting gimmicks and stopgap measures to delay true reform.

"I didn't vote for any one of those propositions and didn't intend to, because it would continue the dysfunction," Nosek says. "Honestly, I didn't even think twice."

As he heads toward retirement, Nosek says he simply has no idea what the coming months and years will hold for the University of California.

"There is no light at the end of this tunnel," he says. "There is no bottom that we know of yet."

— Jack Stripling

The Obama Plan

InsideHigherEd.com

July 15, 2009

President Obama, as he promised he would, placed community colleges Tuesday in the center of his plans to revitalize the American economy. He proposed billions in new spending -- for job training programs, improvements in basic skills education, facilities and free online education -- to focus on two-year institutions.

In words that community college educators have longed to hear, he stressed the importance of community colleges in broadening access to American higher education, and he specifically rebuked the way these institutions have often been ignored in favor of elite institutions.

"Community colleges are treated like the stepchild of the higher education system; they're an afterthought, if they're thought of at all," Obama said, in [a speech at Macomb Community College](#).

While the president praised community colleges, he also criticized them, saying that too few students complete programs and that not all job training is relevant. "I know that for a long time there have been politicians who have spoken of training as a silver bullet and college as a cure-all," Obama said. "It's not, and we know that. I can't tell you how many workers who've been laid off, you talk to them about training and they say, 'Training for what?' So I understand the frustrations that a lot of people have, especially if the training is not well designed for the specific jobs that are being created out there."

The president's speech left many community college leaders enthusiastic. "This is a great day to be in a community college," said Juan Mejia, vice president for academic affairs at South Texas College, an institution adding thousands of students a year that wants help to grow.

Community college presidents said that the president had identified areas where their institutions badly need support, such as dealing with facilities that are outdated and bulging with students. Experts on distance education at community colleges said that the president's proposals on creating free online courses could be historic and transformative.

Amid the exuberance, some experts on community colleges warned that the Obama plan -- however worthy -- was addressing only some of the problems facing community colleges, and that it was important not to view the proposal as a panacea. Within the broader higher education world, the proposal won support, but parts of it worry private college leaders.

Obama framed his talk around a goal of helping an additional 5 million Americans earn degrees and certificates at community colleges in the next decade, which relates to the president's larger goal of having the United States have the highest graduation rate of any country in the world. George R. Boggs, president of the American Association of Community Colleges, called the goal "pretty ambitious," but said that "with the resources, we can do it." Based on current completion rates, that would be a 50 percent increase in the number of people who earn a certificate or degree, Boggs said.

"Not since the passage of the original GI Bill and the work of President Truman's Commission on Higher Education -- which helped to double the number of community colleges and increase by sevenfold enrollment in those colleges -- have we taken such a historic step on behalf of community colleges in America," Obama said. "And let me be clear: We pay for this plan -- this isn't adding to the deficit; we're paying for this plan -- by ending the wasteful subsidies we currently provide to banks and private lenders for student loans. That will save tens of billions of dollars over the next ten years. Instead of lining the pockets of special interests, it's time this money went towards the interests of higher education in America. That's what my administration is committed to doing."

Where the Billions Would Go

Assuming Obama can get Congress to go along with his plans on student loans (and he is making progress, but is not there -- see [related article](#)), his community college program would involve several parts. The largest would be a \$9 billion fund for competitive grants to community colleges. One set would focus broadly on job training, but might include expanded course offerings in key areas, programs to align offerings with job needs, and efforts to improve remedial and adult education.

The other area that would receive support from the \$9 billion would be a grant program focused on community college completion. Colleges would receive funds to create, improve and evaluate efforts to encourage program completion or to identify and spread good practices. Obama said community colleges need to do more to improve completion rates. When students drop out, he said, "That's not just a waste of a valuable resource, that's a tragedy for these students. Oftentimes they've taken out debt and they don't get the degree, but they still have to pay back the debt. And it's a disaster for our economy."

Another \$2.5 billion would be used to back loans to community colleges to build and renovate facilities. And \$500 million would be awarded to create online instructional materials that would be available free to community colleges and their students. The Departments of Defense, Education and Labor will work with one or more community colleges and the Pentagon's learning network to find ways to award credit "based on achievement rather than class hours," and to "rigorously evaluate the results," according to the White House briefing materials on the program.

In his remarks, Obama talked about how this effort could both create courses where they aren't offered and create educational materials for courses that exist. "Even as we repair bricks and mortar, we have an opportunity to build a new virtual infrastructure to complement the education and training community colleges can offer," he said. "So we're going to support the creation of a new online, open-source clearinghouse of courses so that community colleges across the country can offer more classes without building more classrooms. And this will make a big difference especially for rural campuses that a lot of times have struggled to attract students and faculty.

"And this will make it possible for a professor to complement his lecture with an online exercise, or for a student who can't be away from her family to still keep up with her coursework. We

don't know where this kind of experiment will lead, but that's exactly why we ought to try it because I think there's a possibility that online education can provide especially for people who are already in the workforce and want to retrain the chance to upgrade their skills without having to quit their job."

An early draft of the Obama plan, [reported on here last month](#), specifically said that the funds to create online courses would be open to institutions beyond community colleges, including for-profit colleges. The materials released by the White House Tuesday were vague on the matter, and some lobbyists said that they interpreted comments in their briefings to mean that only community colleges would create the courses.

Asked via e-mail Tuesday if for-profit colleges and others could seek these funds, Robert Shireman, deputy under secretary of education, said: "Online course development would be by any type of entity, and the courses would be in the public domain and therefore could be used by anyone. (We will work with a community college to make sure there is a place that offers credit for the courses, but it would not be exclusive)."

'A Shift in Thinking and Funding'

The reaction of many community college leaders to the overall plan was close to ecstatic on the billions proposed -- and the attention coming from the White House.

Barry W. Russell, president of the South Carolina Technical College System, said that two-year institutions "have learned to do much more with much less," but that surging enrollment has made that increasingly difficult. "The news today of a \$12 billion investment in the nation's community colleges gives us hope that we will see a shift in thinking and funding," he said.

Many community colleges said that the various programs proposed would make it possible for them to meet student demand for courses -- which they have feared they would soon be unable to do. Andrew J. Matonak, president of Hudson Valley Community College of the State University of New York, said that his campus was built to serve 6,000 students and now has more than 13,000 as it prepares for the third straight year of record enrollments. He said that the college has expanded courses offered online, and in the early morning, or nights or weekends, but that "the bottom line is that we have to build capacity."

He added that the reason the facilities funds are so important is that "right now our states are in a very difficult position and our counties are in a very difficult position, and during peak hours we are absolutely maxed out."

Stephen M. Curtis, president of the Community College of Philadelphia, said that his college's annual head count has been around 35,000 -- and is expected to be up 11 percent in the fall. As the college has focused on offering sections to keep up with demand, he said, spending on facilities has lagged, and he thinks the college should invest more there -- especially in science and health fields. "We badly need more science laboratories," he said, and funds could allow not only for increased enrollment in these fields, but for better training for existing students.

Across the country, John Neibling, president of Clovis Community College, in New Mexico, said that facilities funds "could not come at a better time. Most of our college facilities are aging, and enrollment is going through the roof." He said this summer's enrollment is up 30 percent over last year.

Obama spoke at a community college in Michigan, which has been facing economic difficulties that are more severe than those in much of the country. Michael Hansen, president of the Michigan Community College Association, said that "anything the feds can do to provide capacity money is good. Right now students in high demand programs are going to be put on waiting lists and turned away."

Why Completion Rates Matter

Several of the presidents also praised Obama for focusing on completion rate issues, and said that he was drawing much needed attention to the issue. For years, many community colleges have had graduation rates in the teens -- and while that figure is low in part because many community college students don't want degrees, it also reflects students who did, but failed to get them. Of late, educators and foundations have been focusing more on graduation rates, with the City University of New York starting programs and planning a new model of community college to focus on getting students degrees, and the Bill & Melinda Gates Foundation and the Lumina Foundation for Education spending big on efforts to improve remedial education and graduation rates.

Robert G. Templin Jr., president of Northern Virginia Community College, said that Obama was endorsing those movements and suggesting that "we need to rethink the process" of how students enter community colleges. Too many students today need remedial work, get discouraged by that, and drop out, "and the Obama message is that community colleges need to change," Templin said.

Northern Virginia is a member of Achieving the Dream, an effort to help community colleges collect data to inform policies that will minimize the need for remediation and improve graduation rates. As an example of the kind of program his college is starting, Templin pointed to Pathway to the Baccalaureate, in which the college is working with 3,500 at-risk high school students in the region, trying to help them plan junior and senior years so they won't need remediation, or as much of it. "If we get more of our students college-ready, we can double our graduation rates," he said, and meet the Obama goals.

At the Community College of Philadelphia, Curtis said that his institution is trying to reach those who did drop out, with a program called My Degree Now. Anyone with at least 30 college credits is told that the college will help them earn an associate degree, free of tuition or fees. Curtis said this is the kind of program that needs more support -- in his case, a philanthropist is paying for those whose costs aren't covered by federal student aid.

Advocates for online learning also viewed Obama's plans as significant. Fred Lokken, associate dean of Truckee Meadows Community College for its WebCollege, said this was "the very first

comprehensive effort by the federal government that recognizes the importance of online learning." Lokken, board chair of the Instructional Technology Council, a body of the American Association of Community Colleges that works on technology issues, said that the government in this plan was "embracing online education" while also stressing the importance of "standard of rigor and quality."

Catherine M. Casserly, who studies technology issues at the Carnegie Foundation for the Advancement of Teaching, said she saw the program leading to "a dual approach," in which students could view the new material or community colleges would get well-prepared material around which local instructors could plan instruction. "Anyone will be able to pick up" the online materials "and to innovate," she said. The online courses can promote "a consistent curriculum," which the new mechanism for awarding credit would encourage, she said. But local instructors could reach "each student with individual" attention, she said.

"This is exactly what the open model allows," she said. But people shouldn't think of this as "just putting the courses out there," but as changing the role of who provides the curricular materials and what instructors do. The students will gain the most, she said.

What Obama Can't Fix

To the extent that any advocates for community colleges expressed worries about the Obama plan, their reservations had to do not so much with the plan but with broader problems facing the institutions.

Jonathan Lightman, executive director of the Faculty Association of California Community Colleges, said he was pleased with what the president is doing. But he said people need to know that "the federal money isn't going to stem the tide" in his state, where some feel that the number of students that will be turned away in the next year could reach a quarter million. "The operating budgets of community colleges rest with state and local governments," he said. They won't be able to make major improvements "if you have no base budgets," however favorable the federal ideas are, Lightman said.

"It's very hard to supplement something if the base is being undermined," he said. "We can't look at this as a panacea."

Stella M. Flores, an assistant professor of higher education and public policy at Vanderbilt University, who studies the impact of federal policies on disadvantaged students, said she saw promise in the Obama plan, but that it left key issues unaddressed.

Flores said that Obama deserves credit for "a show of unprecedented support of an often ignored sector of higher education in American public policy," and that this focus could have a real impact on degree attainment.

But she said that "additional factors" also need attention. For instance, she said that while "modernizing facilities and curriculum is a plus," "attention must also be paid to modernize the skills of the faculty. More research should be conducted on the needs, skills, and training of community college faculty." And she said she would like to see more attention to "the path to a B.A." once the students Obama envisions graduating from community college do so. As valuable as an associate degree is, she said that "the generational and economic impact of a bachelor's degree for a first-generation student can constitute an exponential jump."

Generally the Obama plan won strong support Tuesday from the Democrats who control Congress. Republicans -- who are also skeptical about the loan changes Obama will use to pay for the programs -- are more dubious. Rep. John Kline of Minnesota, the ranking Republican on the House Committee on Education and Labor, called the community college ideas "another massive entitlement program -- not to mention concerns about the federal government telling community colleges how to do their jobs."

Similar concerns about federal direction are coming from private colleges. The National Association of Independent Colleges and Universities had no official reaction Tuesday to the Obama proposals. But an e-mail message to members from NAICU President David Warren, sent out this week and obtained by *Inside Higher Ed*, raised concerns about the program (before it was officially announced).

Warren said that "recognizing the contributions of community colleges is appropriate. Few would question their important role in our higher education system. However, there are some disturbing signs that enthusiasm for expanding their role may drive policy decisions that are both unfair and unwise."

The plans "have the federal government providing funds directly to one sector of American higher education, to the exclusion of other sectors. These plans also raise concerns that the federal government may become involved in college curricula -- a step that could seriously erode the academic independence and autonomy that is the cornerstone of our higher education system," Warren wrote.

He added: "Especially troubling is the fact that there may be no meaningful opportunity to examine the details of the proposal, and to debate fully its merits before it is marked up in the House later this month. Rumors on Capitol Hill are that the proposal could be folded into the forthcoming reconciliation bill, potentially drawing resources from the promised Pell entitlement."

Indeed, late Tuesday, that's exactly what Democrats in the House proposed doing, when they announced plans to move ahead soon on Obama's student loan restructuring proposal, which paves the way for paying for the community college plan.

— **Scott Jaschik**

L.A. Unified and the price of school money

LA Times

<http://www.latimes.com/news/opinion/editorials/la-ed-parcel11-2009jul11,0,2535339.story>

Before school district officials put a parcel tax on the ballot, they must show they'll change their ways.

July 11, 2009

Our sympathies are with the children. As schools bend to the task of cutting teachers and programs, we wince at the thought of students lost academically in a class of 35 to 40, or unable to sign up for a summer school course, or making do with a shabby, outdated textbook. At the same time, few of us are in the financial position these days to shell out extra cash, and if we do, we want assurances that we're getting value for our money.

Caught in this conundrum is the Los Angeles Unified School District, a school system that has been notoriously inefficient and political in its use of money, but that nonetheless is in danger of losing recent academic gains as it excises more than \$1 billion from its budget over the next couple of years. Supt. Ramon C. Cortines is asking the school board to place a parcel tax on the ballot to help pay for day-to-day operations. At this point, the amount of the tax is undetermined, as are details about how it would be spent. But if the district's leaders want voters to invest more money in the schools, they have a lot of explaining to do first.

The board displayed a dismaying lack of regard for the public's dollars in November when it placed a \$7-billion bond measure on the ballot, more than twice as much money as it needed to build new schools and refurbish old classrooms. Billions of dollars of the bonds weren't earmarked for any particular projects, but rather created a slush fund for future expenditures in a district that is losing enrollment.

None of that money can be used for teachers, textbooks or educational programs, all of which were short of funds even before California's disastrous crash. The reasons for the bond measure's over-inflated size had little to do with real need and much to do with polls that showed once voters were considering billions of dollars, they didn't seem to differentiate between a couple of billion or an amount two or three times that.

This page advised the board to split the sum between two measures, a bond issue for construction and a parcel tax for educational programs and personnel. Instead, the board went the politically expedient route -- a bond measure is much easier to pass, with a 55% majority instead of the two-thirds needed for a tax -- and ended up with more money than it knows what to do with for building beautiful facilities, but too little money to staff even the schools it has.

If the board goes to voters again pleading its case for more money, it will face a markedly changed electorate from November's, when Barack Obama's presidential campaign brought a sense of optimism to election day. That electorate approved \$7 billion for local schools, but since

then many voters have fallen on harder times and resent any mention of higher taxes. Moreover, the bond measure didn't actually increase property taxes, instead spreading the payments over a much longer span of years. A parcel tax would impose higher payments at a time when homeowners are less able to afford them than they have been in decades.

And yet voters in the district have repeatedly shown that they care about students and schools. That gives district leaders a chance to convince those voters that a new tax is necessary and would be wisely spent. They will probably try to do that in the most convenient way, with a heart-tugging campaign about lost summer-school and preschool classes. It's "about the children," the mailers will say, even though L.A. Unified tends to operate more for the benefit of bureaucrats and unions.

Here's an alternative: Those same leaders could use the schools' current hardship as an opportunity to reexamine and reinvent the district's role in educating children. Cortines and the board could start by reimagining the relationship between United Teachers Los Angeles, whose members would be the most obvious beneficiaries of a parcel tax, and the needs of students.

It would be shameful if new money were poured into a continuation of the district's old, unsustainable pension commitment, overly expensive medical plans, restrictive work rules and a contract that makes it nearly impossible to discipline bad teachers. A parcel-tax proposal should spell out new restrictions on how this money should be used -- perhaps, for example, on merit pay rather than step increases. This would require a new political courage from the board.

The district could also use this moment to engage in a heartfelt self-examination to determine whether it is better off retaining its "central shop" system in which district employees, paid higher-than-prevailing wages, perform most repairs at district schools. Might it be more efficient and frugal, as well as a boost to small business, to downsize this operation considerably and imitate charter schools by allowing a school principal to call a couple of local operations when, say, a window is broken, to get the best quote and have the work done that day? Before the district goes trolling for taxpayer dollars, it should demonstrate that it has seriously considered potentially significant cost-saving ideas, even -- or perhaps especially -- if those ideas sound revolutionary.

A parcel tax should come with the proviso that it will decrease in years when enrollment falls. Otherwise the money would be spent to expand programs or create new ones, which then would require greater sums of money to sustain when enrollment picks up again. More questions: Would the tax sunset or shrink when state funding picks up? What sort of independent oversight would there be, as with the school-bond oversight committee, to make sure the money is funneled to classrooms rather than to political agendas or bloated bureaucracies?

Cortines has displayed a refreshing willingness to take on some of the district's sacred cows, but he has not reached the point of rethinking the district in more fundamental ways. Voters should insist on nothing less before approving a new round of funding for L.A. Unified.

Dan Walters: This may be apocalyptic fiscal duel

SacBee

<http://www.sacbee.com/politics/v-print/story/2019140.html>

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A cornerstone of Christian dogma, as described in the Bible, is that there ultimately will be an epic confrontation between good and evil in which God will triumph over Satan.

Or as Revelation 20 describes it, when the devil's army surrounds God's people, "Fire will come down from heaven and destroy the whole army (and) the devil who fooled them will be thrown into the lake of fire and burning sulfur."

There's something faintly biblical about the Capitol's ever-tenser political confrontation over how to close a whopping budget deficit.

For years, the opposing ideological armies have flirted with a final confrontation over whether to expand the state's revenue structure to support its superstructure of educational, social, health and penal services, or shrink spending to match revenues.

Each time the apocalyptic moment appeared nigh, however, those involved would avoid a decisive battle with some new set of accounting gimmicks or loans that postponed the day of fiscal reckoning and left the underlying ideological conflicts unresolved.

This may be the moment, however, when one side or the other emerges triumphant. Gov. Arnold Schwarzenegger, after years of playing both sides against the middle, seemingly has planted himself on the conservative side, demanding deep and lasting spending cuts that would markedly tighten the state's array of services.

Schwarzenegger was elected governor nearly six years ago to fix California's out-of-control budget but failed miserably, largely because he wasn't willing to risk his popularity.

Now, with time running out on his governorship and with the state's budget crisis worse than ever, Schwarzenegger appears to savor a conclusive confrontation.

"This is the year we have to stop promising people things we can't deliver," he said last week.

Meanwhile, Democrats are just as determined to dodge the bullet Schwarzenegger wants to fire. They clearly want to increase taxes again, but barring that, they want temporary fixes that will leave the safety net of social services intact, hoping that an improved economy and/or a new governor will make them whole again.

"We're not cutting deeper," Senate President Pro Tem Darrell Steinberg said during one debate. "The price is too high," he said on another occasion.

If he sticks to his guns – and that's always uncertain with Schwarzenegger – the governor is playing a stronger hand. He clearly wants a legacy of having tamed the budget monster as promised, and he's a lame duck who won't be seeking office in California again, so he has nothing to lose politically.

The state is already issuing IOUs to some creditors and in another couple of months will be unable to pay any of its bills unless it floats some short-term cash flow loans, thus forcing a decision of some kind to satisfy lenders.

This, indeed, could be the final confrontation that has been so many years in the making. But who is good and who is evil?

UC proposes furlough plan for employees to help close \$813-million gap

LA Times

<http://www.latimes.com/news/local/la-me-uc11-2009jul11,0,6713178.story>

By Larry Gordon

July 11, 2009

Most University of California professors and staff would have to take between 11 and 26 unpaid furlough days a year, cutting their pay by 4% to 10% under a revised budget proposal announced Friday by UC President Mark Yudof.

The UC Board of Regents is expected to approve the emergency plan next week in response to deep reductions in anticipated state funding. Approval by labor unions is needed for about half of the 109,000 affected employees at the UC's 10 campuses, and some unions Friday expressed strong opposition.

The proposed furlough days would progress in seven steps up the pay scale, from those earning less than \$40,000 to those above \$240,000. For example, the group earning \$60,001 to \$90,000 would face 18 furlough days, equal to a 7% pay cut. The stepped plan is a major change from a controversial earlier proposal that had only two salary groups, and from an idea to cut pay without offering furloughs in exchange.

Faculty leaders said professors would not be allowed to skip classes for their furlough days. But with the furloughs, staff layoffs and numerous program reductions expected at UC campuses, students will feel an impact, officials said.

"No way are we going to be able to look every student in the eyes and say the University of California is just the way it was yesterday," Yudof said in a teleconference from his Oakland office. He said his plan seeks to be fair while trying to "preserve the university's ability to deliver high-quality education, research and patient care."

UC officials said the furloughs, if approved, would save \$184 million during the next academic year. That would help fill an expected gap of \$813 million, or about 20%, in state general revenue funds for the UC in the just-completed school year and next year. The rest would come from a recently approved 9.3% increase in student fees and other spending cuts by the university system.

Yudof said the UC would not follow the California State University system's recent decision to seek a second student fee increase now for next year. He did not rule out the possibility of an extra fee hike in the middle of the school year. "There could be one in January. It depends on how tough things get," he said.

In response to faculty protests about an earlier version of his plan, Yudof's proposal exempts from furloughs and pay cuts those professors and staff whose salaries are fully funded by federal or private research grants.

Many researchers had complained that the previous plan included them even though cutting their salaries would not help the university system's budget.

Officials said they need to study how to handle employees whose pay is partly funded by grants.

Student employees and postdoctoral fellows would be exempt from the furloughs under the plan and, to the relief of many employees, salary-based calculations for pensions would not be reduced.

Several faculty labor leaders called Yudof's revised plan an improvement, but they said it still faced tough going with unions.

Lakesha Harrison, president of the American Federation of State, County and Municipal Employees Local 3299, which represents service and patient-care workers, said she had "no interest in talking about furloughing us or cutting us. We are saying no." Before asking lower-wage employees for givebacks, the UC should first cut high executive pay and benefits, she said.

Also Friday, Russell Gould, the chairman of the Board of Regents, said he will form a commission to study possible wide-reaching changes in how the UC operates and teaches in an era of tight budgets. It will look at such areas as the university's use of technology and how big the UC should be.

'All the Bells and Whistles' InsideHigherEd.com

July 16, 2009

As community colleges enroll more full-time and traditional-age students, many are building stand-alone student centers in the mold of those found on the campuses of four-year colleges and universities. Given that some two-year institutions have begun building dormitories, some see the promulgation of these multi-use facilities as yet another step in the ongoing transformation of the community college.

Tidewater Community College, in the Hampton Roads region of Virginia, broke ground last month on one such facility; by 2012, the school plans to have one on each of its four campuses. With a combined price tag of nearly \$90 million, they are the first community college student centers to be built in the state, and among very few in the country.

“As I’ve made the rounds and met with students to ask them what they like and don’t like about Tidewater, there was one recurring theme,” said Deborah M. DiCroce, who is in her 12th year as president of the college. “They didn’t have a place of their own. They were looking for a place to engage in various activities when they were not in class.”

This desire among students for a place to call their own did not come out of thin air. Rather, DiCroce believes it is a natural response to both the changing role of the community college and the changing demographics of her students.

For example, in the past 10 years alone, Tidewater’s overall headcount has grown by almost 50 percent, to about 40,000 students. Within this overall growth, the number of recent graduates from high school has increased by 75 percent, and the number of full-time students has grown by 74 percent. In 1998, the average age of Tidewater students was 29.4; last year, the average age was 27.2, constituting what DiCroce calls a “significant drop” for an institution of Tidewater’s size. Now, half of the college’s student population falls between the ages of 18 and 24.

“We’re finding with our changing demographics, our students are more consumer savvy and expect all the bells and whistles of a full university student experience,” DiCroce said. “As community colleges are increasingly being looked upon to provide an on-ramp, if you will, to baccalaureate study, more students are looking for these accouterments of a university. In the founding years of our system, at least in Virginia, I don’t think anyone would have considered this. The conventional wisdom was that students wanted to take classes and go home to get on with their life. This isn’t the case with many full-time students.”

Though Tidewater’s student centers will look and feel like those buildings found on traditionally residential four-year college campuses -- with offices for student groups, places to grab a bite to eat, and a bank -- they will contain a few features that may help differentiate them. Of the services DiCroce defined as characteristic of a community college student facility and among the most requested, childcare services for the many students with young children will be located in each center.

The building plans have not come without some minor criticism, however. DiCroce admitted that it is possible to “go overboard” and “risk becoming extravagant” when building such facilities during trying economic times. The perception that the price of attending many four-year colleges has been driven up by student demand for luxuries – the much maligned climbing wall, for instance – has become a major issue in the debates over fast-rising college tuitions. DiCroce believes, however, that there is an indefinable “value added” for students in the addition of such meeting places to her campuses.

“I’ve heard the naysayers saying that this is a waste of money, but they could say that about virtually anything,” DiCroce said. “Some people say that about our investment in technology and implementing it across our institutional mission, and they’ll ask, ‘Why not go bare-bones?’ My response to that is a very simple but fundamental point. It makes far more sense to try to fashion an educational experience that is reflective of the diversity, complexity and interdependency of the world we live in. What constitutes education, increasingly, is not confined to what happens in the classroom. [These student centers] will constitute a value added to that student when they go into the workforce.”

As the Virginia government does not help pay for the construction of auxiliary facilities, Tidewater is paying the \$90 million bill through the generosity of private donors and several local governments. In addition, students have agreed to a \$5 per credit hour price hike on their fees to help pay for the construction of the facilities.

Tidewater’s ground-breaking has turned the heads of a few community college leaders in Virginia, DiCroce said, who have come to seek its advice on planning their own. And, if the changing demographics of two-year institutions around the country are any indication, some national groups think student centers could be popping up on community college campuses all around the country in the near future.

Marsha Herman-Betzen, executive director of the Association of College Unions International, a group of student union professionals at more than 600 two- and four-year institutions, said there are some community colleges that have had stand-alone student centers for years. She pointed to one at Salt Lake Community College, with everything from a health care center and bookstore to a television lounge and a snack bar, as a longstanding example. More commonly, however, student services are not centralized on community college campuses, but rather spread throughout a number of buildings -- a remnant of the commuter origins of most of these institutions, Herman-Betzen explained.

“You’re going to see a rise in the stand-alone student union center at community colleges since we’re seeing younger and more traditionally aged students,” Herman-Betzen said. “While you don’t need a building like that to develop community, to have a place that has artifacts and memories is important. When you go back to visit your school, you don’t go to the chemistry building.”

In addition to child care services, Herman-Betzen said most of the new wave of community college student centers contain other items of convenience that reflect their population, such as

lockers where students can stow their belongings between classes. Some have also relocated their registrars' and financial aid offices to their new facilities to provide more access to students.

Herman-Betzen said these new community college facilities have the same operational issues as their older four-year counterparts. With fewer state dollars coming in for facilities, she said many have tried to make their student centers auxiliary-driven to help fund their own operation.

So, what will be the next building boom on two-year college campuses now that dormitories and student centers have begun to make an appearance?

Herman-Betzen thinks that aquatic and fitness centers may be next. DiCroce, however, said students had wanted Tidewater's student centers to include a gym, but the idea was scratched from the plan because it was deemed "too extravagant."

— **David Moltz**

Dan Walters: California tax burden isn't easy to figure

SacBee.com

By Dan Walters

Published: Friday, Jul. 10, 2009 - 12:00 am | Page 3A

To borrow from the "Three Bears" fable, are Californians taxed too little, taxed too much or taxed about right?

It's a question with particular relevance as politicians wrestle with stubborn state budget deficits. But its answer hinges not only on one's personal philosophy but markedly different sets of data about Californians' relative tax burden, and even disagreement on what constitutes the burden.

We do know that Californians are paying something north of \$150 billion a year, around 10 percent of their personal incomes, in taxes to state and local governments. The Tax Foundation puts the burden at 10.5 percent in 2008, but since state tax collections have dropped sharply this year, the percentage may now be a bit lower.

The Public Policy Institute of California takes the calculation a bit further, saying state and local governments collect another \$70 billion a year in various fees and assessments, which would raise the take to over 15 percent of personal income.

How does this taxation compare to other states? The Tax Foundation places California's 10.5 percent rate at sixth highest in the nation with New Jersey the highest at 11.6 percent. PPIC, meanwhile, says that when fees and other revenues are included, California is 18th highest, a bit higher than the national average.

So there we are. Californians' total burden for supporting state and local governments is definitely above average, in comparison to other states, but apparently shy of the highest ranks.

The calculations get even trickier when one tries to apportion that burden among various economic levels.

We do know that about half of the state's general fund revenues come from the personal income tax and that half of those income taxes come from the top 1 percent of taxpayers, a couple of hundred thousand families. It means that a quarter of the state's income is dependent on how well a handful of wealthy people are doing in the stock market, which makes the revenue stream very unpredictable.

Liberal groups such as the California Budget Project, however, contend that when indirect taxes are included, such as property taxes on rental housing, the poor pay higher percentages of their incomes than the affluent. They want more taxes on the wealthy and/or corporations to balance

the budget, while those on the right contend that doing so will drive high-value taxpayers and their taxes out of the state.

A commission appointed by the governor and legislative leaders is studying the tax system with a goal of reducing revenue volatility. But smoothing out the revenue stream would require shifting more of it to middle- and even lower-income Californians.

One pending proposal would replace the sales tax with a "net receipts tax" similar to the value-added taxes in European countries.

So are Californians overtaxed or undertaxed? There are lots of numbers but no easy answers. Like beauty, they are largely in the eyes of the beholders.

CalPERS suit follows \$60 billion in market losses

SacBee.com

By Dale Kasler

Published: Thursday, Jul. 16, 2009 - 12:00 am | Page 9B

CalPERS' lawsuit over a \$1 billion investment loss represents its latest attempt to deal with market chaos that shrank its portfolio by 25 percent in the past year and will translate into higher pension contributions from the state and municipalities.

The lawsuit blames the three big Wall Street credit rating agencies – Moody's Investors Service, Standard & Poor's and Fitch Ratings – for effectively luring CalPERS into a series of disastrous 2006 deals by giving the investments "wildly inaccurate and unreasonably high" grades.

The investments have gone bust at a cost of "perhaps more than \$1 billion," said the California Public Employees' Retirement System in the suit, filed last Thursday in San Francisco Superior Court.

The losses represent a small portion of the roughly \$60 billion CalPERS has lost in the past year due to declines in its stocks, real estate and other holdings. The losses are so steep that CalPERS has served notice that it will demand higher contributions from the state and the local governments that rely on the fund for pensions.

The exact amount of the increases won't be known until late October or early November, said CalPERS spokeswoman Pat Macht. The CalPERS board voted in June to "smooth" out the investment losses so the higher rates will phase in more slowly for the local governments. It will decide in September whether to do the same for the state.

In any event, the higher rates will kick in next July for the state and a year later for the local governments, Macht said.

Seeking to regroup in the wake of heavy losses, CalPERS is tweaking its investment strategy. In June, it agreed to shift money out of stocks and into private equity – investments in companies that aren't publicly traded. It has been working to overhaul some of its real estate partnerships.

The giant pension fund also has stepped up its public advocacy for greater regulatory oversight. On Wednesday, CalPERS Chief Investment Officer Joseph Dear testified before Congress and called for the federal government to start regulating hedge funds and private equity firms.

"The fundamental risk posed by private pools of capital is that they can choose to operate outside the regulatory structure of the United States," he said in remarks prepared for the Senate subcommittee on securities, insurance and investment.

CalPERS' lawsuit against the three ratings agencies blasts them for assigning their highest possible ratings to three structured investment vehicles, or SIVs.

The three SIVs – Cheyne Finance, Stanfield Victoria Funding and Sigma Finance – collapsed in 2007 and 2008 and defaulted on their payments to CalPERS, the suit said.

SIVs consist of portfolios of assets such as car loans, credit-card loans and mortgage-backed securities. But CalPERS said the investments were "opaque" and only the SIVS and ratings agencies knew exactly what assets were inside.

CalPERS' stance drew some criticism from investment experts Wednesday. John Jay, senior analyst with New York investment advisory firm Aite Group, said CalPERS should have pressed for more disclosure before plunging in.

"There should have been additional checking or due diligence," he said.

Yet Macht said CalPERS wasn't alone in relying on the rating agencies. "At the time that this occurred, everyone in the industry depended on the rating agencies," she said.

The rating agencies are among those getting blamed for the financial markets' meltdown last fall, with some critics saying they gave premium grades to risky mortgage securities and other assets.

The agencies are paid fees by the companies they rate – an arrangement criticized in some quarters as a conflict of interest.

S&P and Fitch said the CalPERS suit is baseless.

A Moody's spokesman couldn't be reached for comment.

Enduring Good and Bad Budget Times Through Collaboration

www.ijournalccc.com

Article by: Dr. Francisco Arce and Dr. Jeanie Nishime

Abstract:

Can instruction and student services collaborate on cuts to the budget without turf wars? The Vice Presidents of Academic Affairs and Student Services at El Camino College have found that collaborating and building a trusting relationship with each other is the key to mitigating the impact of tough budgetary decisions.

Article:

“The right hand doesn’t know what the left hand is doing!” Does that statement describe the relationship between academic affairs (AA) and student services (SS) at your institution? Conducting an orchestra would be impossible under those circumstances and running a college wouldn’t fair much better. At El Camino College the collaboration between the AA and SS vice presidents (VPs) started in 2005 with the creation of an Enrollment Management (EM) Committee. Both VPs were new and it became apparent that the left and right hands were not making the same hand signals and this was accentuated by a precipitous enrollment decline that no one could explain.

It became clear to the two VPs that both areas needed better collaboration and a team approach to enrollment management to reverse the 1200 FTES decline. Starting with the EM Committee, both areas were brought together to develop a plan that focused on six general strategic areas: information systems, curriculum and instruction, scheduling, student services, retention, and marketing. The VPs brought together representatives in key decision making roles, from all areas of the college, to develop action steps and a systematic set of initiatives to increase enrollment.

Several forums and summits were held to brainstorm what was working well and what was not to support enrollment management. The result of these events was the refinement of the enrollment initiatives and cross constituent support for the development of the Enrollment Management Plan. The vice presidents demonstrated unity of purpose and a focused determination to get everyone to work together to solve the enrollment decline. Not only did we recover the 1200 FTES decline, but we have also experienced an enrollment increase of 10% this academic year.

The success of the planning activities led to other changes to strengthen the interdependence of the two areas. This collaboration continued when the new vice president of student services joined the college in 2007. Today the partnership is evident in the many co-chair roles the VPs share within the institution's governance structure. Both chair the Council of Deans (made up of AA and SS Deans and Directors), Calendar Committee and Retention Committee. In addition, both attend the bi-weekly meetings of the EM Committee, the Academic Senate and the Academic Senate Executive Board. The latter has proven to be highly effective as it is an opportunity for the Senate leadership to explore concerns about policy, administrative actions, resource allocation or other issues. While the VPs are united, each brings a unique perspective to the dialog resulting in many potential issues being nipped in the bud.

Budgeting in tough economic times and acting in the best interest of students involves collaboration and making decisions hand-in-hand. Like many other colleges, El Camino College (ECC) was forced to cut its budget this year and yet we did not "cannibalize" programs in instruction or student services. We kept the cuts away from the classroom and direct services to students. In fact, each VP maintained an institution-wide perspective in order to minimize the effect of budget reductions on services to students. This type of type of action can only be achieved where all parties are working together to protect the integrity of the entire college rather than protecting turf. What has been most interesting about this process is that when "push came

to shove” with the budget, all of the VPs came together with a sense of unity and common interest to maximize services to students.

What we have found at ECC is that by working together, regardless of significant budget reductions, difficult decisions can be mitigated. Even though we understand the reality that funding may not be available in these economic times, it is meaningful to advocate for our areas without undermining each other. Open and trusting relationships have a deep institutional benefit for students and all constituents. We were fortunate at El Camino to have VPs whose personalities meshed and allowed for the collaborative relationship to flourish. Putting one’s ego aside is fundamental to creating this relationship. Boards and CEOs must consider the quality of that relationship as much as the quality of the knowledge and experience of VP candidates.

Schwarzenegger, lawmakers working on school cuts

SacBee.com

By Kevin Yamamura and Jim Sanders

Published: Thursday, Jul. 16, 2009 - 12:00 am | Page 1A

Gov. Arnold Schwarzenegger and legislative leaders have agreed on a way to cut school funding while avoiding a politically unpopular suspension of the state's constitutional guarantee for education, Democratic negotiators said Wednesday.

But they remain at odds over whether to make a permanent change in the way education spending is calculated that would make it easier for schools to get more money after lean budget years.

They ended negotiations Wednesday shortly after 10 p.m., saying discussions had stalled. Negotiators said they were close to reaching an overall deal to bridge California's \$26 billion deficit and allow the state to pay bills with cash rather than IOUs. But they had yet to reach agreement over permanent cuts to health and welfare programs, as well as education spending and borrowing from local governments.

"We are close, but there are still some difficult issues to be resolved," said Schwarzenegger spokesman Aaron McLear. "The governor has consistently supported repaying education, but he does not support the Democrats' efforts to slip in a constitutional amendment without going back to the people. The Democrats also are unwilling to make sufficient cuts to create a reserve that is desperately needed in this budget."

Senate President Pro Tem Darrell Steinberg said Democrats simply want to guarantee that schools get the money "they are owed," and that the change can be accomplished with "a simple statute."

A key problem for budget negotiators has been finding a way to cut education funds this year without undermining Proposition 98, the voter-approved constitutional amendment that promises a minimum level of state spending on schools.

Education receives about 40 percent of the state's general fund budget each year.

Schwarzenegger asked lawmakers on July 1 to suspend Proposition 98 and give schools about \$3 billion less than his Department of Finance believed they were owed for the current 2009-10 fiscal year. That prompted a backlash from education groups, including the California Teachers Association, which launched a \$1 million ad campaign against the governor.

But lawmakers, working with budget aides and the Department of Finance, found a maneuver to avoid suspending the guarantee in the past week. The move relies on an accounting change in which the state would reassign \$1.6 billion in funds that were dedicated to last year's school budget, sources said.

While it was once believed the state could not reclaim last fiscal year's education money after June 30, the current plan suggests the state can reduce its school payment for last year because Controller John Chiang has not yet distributed that money, sources said.

To win school support for further education cuts this year, lawmakers and Schwarzenegger are also considering committing up to \$9.5 billion more to schools in future years. Education groups assert they were owed that money anyway, and Schwarzenegger believed as much on July 1, when he said "the education community is smiling today."

But the Department of Finance issued an analysis last week that determined the state did not automatically owe that payment to schools when taking lower June revenues into account.

School groups have sued to ensure that money would be paid, but they would prefer to have the Legislature settle the matter and avoid further litigation.

Lawmakers and Schwarzenegger did not set out to suspend Proposition 98, a politically perilous move that has occurred only with the blessing of education groups in the two decades since the initiative became law. But after leaders failed to agree on a stopgap education cut by June 30, Schwarzenegger believed the only way they could get the same savings in the fiscal year that began July 1 was by suspending the measure.

The California Teachers Association's ad blitz launched last week attacked the governor for proposing that move.

CTA spokeswoman Becky Zoglman said that lawmakers' focus away from such an action "is certainly encouraging, and they're doing the responsible approach. ... Voters strongly support minimum funding for schools, and we do hope they do come through with not suspending that law."

Legislative leaders are discussing other parts of the budget framework, including about \$14.5 billion in cuts during this fiscal year – more than the \$12 billion proposed by lawmakers but less than the \$16 billion sought by Schwarzenegger, sources said.

Schwarzenegger is pushing for permanent cuts in health and welfare programs that would save money in future years, though Democrats have questioned how much those cuts would actually save.

"This year we have to go and look at the budget, how do we fix it this year and also what effect will it have in the out-years ... so that in the future we can cut that line of spending increase," Schwarzenegger said Wednesday.

Beyond cuts, to bridge the rest of the \$26 billion gap, leaders are revisiting a plan to borrow \$2 billion in local government money, as well as targeting other revenue sources, such as local redevelopment agencies and highway users' gas tax funds, sources said. They also are considering shifts such as an accelerated tax payment schedule.

State leaders hope the deal will be credible enough to obtain short-term cash loans from Wall Street and end California's reliance on IOUs.

The state has issued \$588 million in IOUs so far this month, according to Hallye Jordan, the controller's spokeswoman. She said Chiang will stop issuing IOUs when he determines lawmakers and the governor have made enough cuts to ensure the state has enough cash to pay its bills.

Defining Moment InsideHigherEd.com

July 17, 2009

Solidarity is about to go up on trial.

In the coming days, a disparate group of California State University faculty will take a vote that could come to define the union representing them. It could also alter the future of the 23-campus California State system, which is facing a budget crisis unlike any other in recent memory.

The California Faculty Association, which represents 23,000 faculty members, from part-time lecturers to tenured professors, will finish voting Monday on whether to take as many as 24 unpaid furlough days to help fill the university's \$584 million or 20 percent state budget gap. A "no" vote is sure to spell significant layoffs, but faculty complain there's no guarantee the furloughs will preserve all jobs, either.

The vote presents a particular quandary for full professors, who must decide whether to reduce their own compensation by about 10 percent, largely in the interest of saving other people's jobs. While not immune from layoffs themselves, tenure and tenure-track faculty are considerably less vulnerable than the lecturers who comprise about half the faculty in the union. On the other hand, professors' lives and workloads may change considerably if lecturers are laid off en masse. The use of lecturers, while often criticized in higher education, helps reduce class sizes, increases section offerings and – in some cases – reduces the number of general education courses full professors have to teach.

"It makes any decision you have to make agonizing. Everybody is being harmed," said Lillian Taiz, president of the union and a professor at the Los Angeles campus.

The union, which is affiliated with the National Education Association and the American Association of University Professors, has taken no official position on how members should vote. Asked which way the wind might be blowing, Taiz said she couldn't speculate.

While the furloughs would not differ based on salary levels, as the University of California has done, full-time employees working 10 months would take 20 days, compared with 24 days for those on 12-month appointments.

The union's vote has become a flashpoint in a larger discussion about how best to maintain quality, accessibility and jobs at California State, an institution that serves 450,000 students. Charles B. Reed, the system's chancellor, says the furloughs will save 6,000 jobs and 22,000 classes. He has not been able or willing, however, to provide union leaders what they want: A guarantee that furloughs will totally prevent layoffs. That's in part because Reed plans to reduce systemwide enrollment by 32,000 students over the course of the next year, a cost-reduction plan that is tied to having fewer faculty and staff on the payroll.

“They want some assurance that going forward that there won’t be any layoffs. I can’t give that assurance,” Reed said in a Tuesday interview with *Inside Higher Ed*.

“We will need fewer faculty and staff in 2010-11, so what a furlough does is a one-time only savings,” he added. “It’s not a permanent continuation savings, and we’re going to have to get to where we are downsizing enough to permanently [address] huge cuts that we’re experiencing.”

While the furloughs are a source of immediate debate and concern, the permanent solutions to which Reed alludes are causing equal heartburn across the system. The furloughs are only expected to generate \$275 million, less than half of what’s needed just to cover the current deficit. Reductions of enrollment and class offerings, increased student fees and expanded class sizes are all expected as well.

Audrey Silvestre, a senior at the Long Beach campus, says she’s already seen directed independent study offerings in her women’s studies major scaled back.

“That’s really a shame because a lot of students gain experience through these directed study courses, and they’re not being offered,” she said. “I feel like we’re losing out in terms of being prepared for graduate school or the workplace in terms of gaining work experience.”

The university’s Fresno campus announced a dramatic 20 percent reduction in class offerings for the fall, even though the campus expects about 1,300 more students to attend that semester than did a year ago.

These cuts in class sections come on top of what some students describe as already-sparse academic offerings on many campuses. Ruben Vazquez, who is entering his second year at the California Polytechnic Pomona campus, describes something of a semesterly tradition, where students literally run from one class to another, fighting their way into any available seat.

“With the budget cuts and all that, they’ve been decreasing class sections since I entered school,” says Vazquez, member of a group called Students for Quality Education.

And students attending California State next year can expect to pay more for less. Reed plans to ask the regents to approve a 20 percent increase in fees – known as tuition in other states. The proposed increase would come on top of a 10 percent hike approved in May, bringing the average annual undergraduate tuition to \$4,026 – an increase of \$672.

“I think that’s a good bargain, especially if you compare the CSU to all the other public colleges and universities in this country,” Reed said at a press conference Thursday.

Of the tuition revenues generated, one-third would go toward financial aid, Reed said.

Access Denied

California State has long prided itself on giving access to a diverse population of students, many of whom come from lower socioeconomic backgrounds. While many of the University of California's campuses have become ultra-competitive in admissions and place an ever-greater focus on research, California State has accommodated far more undergraduates than the University of California System can handle. California State has also sought to produce the state's teachers and nurses, fulfilling a vital need across the state. Many wonder, however, how the mission and demographics of California State may be altered by reducing access and increasing price.

"We're going to have to take all of our efforts to ensure this system doesn't become something we don't want it to become," said Taiz, the union president.

As chancellor, Reed says one of his greatest worries is that this crisis will push out the very students California State has sought to serve. Given recent increases in federal Pell Grants, as well as currently available – albeit threatened – state aid, Reed says students from families making \$75,000 or less will not see fee increases. The system has also said it will defer fee payments for students whose Cal Grants -- need-based grants provided by the state -- are delayed.

Despite efforts to help low-income students, however, Reed acknowledges that preserving the current socioeconomic demographics of the university will take a conscious effort. The university's admissions process will have to be restructured to reflect a greater emphasis on recruiting low-income students, and in so doing help maintain campus diversity, Reed said.

"Let's face it, students of color from the underserved communities [also] come from the lower economic income, so we've got to pay attention to that in our admissions process," he said.

There is concern, however, that a significant number of low-income students will be thwarted in their efforts to transfer from nearby community colleges. By closing off spring admission in 2010, as it plans to do, the system will leave some community college students with nowhere to go. Allison Jones, the university's assistant vice chancellor for student support, said eligible transfer students who aren't admitted in the spring will move to the front of the line next fall.

"If there is a student who is fully eligible at the point of the spring, we simply don't have the space for them, and they will have to stay at the community college," Jones said at a Thursday press conference.

Loucine Huckabay, director of nursing at the Long Beach campus, is already feeling the impact of the university's admissions slowdown. The program was not able to accept transfer students for the fall, even though transfers typically make up half the class. The university has sought to preserve enrollment in the high-demand nursing programs, however, by letting Huckabay admit more pre-nursing students who are already enrolled.

Even without fee increases, nursing degrees will be more expensive for new graduate students next year. The program accepted 84 master's degree students on "self support," meaning they

pay for the full cost of their instruction without state subsidies. Even without the expected 20 percent fee increase, those new students will pay \$350 per unit, instead of about \$180.

The union's furlough vote looms large for nursing departments because they have less flexibility in altering class sizes than some other disciplines. Accreditation regulations prevent the programs from increasing class sizes above a 12:1 student/faculty ratio in clinical classes. If there are layoffs or furloughs, Huckabay expects to have to double the size of some of her theory classes because she can't enlarge clinical sections.

Despite the challenges, Huckabay remains optimistic.

"We have wonderful faculty," she said. "They are concerned, but they also know that I will do my very best to protect instruction, to protect students and to protect their jobs."

'Stealing, Borrowing, [and] Cooking the Books'

Facing a \$26.3 billion shortfall, the state of California is thought to have few good options. That has not tempered the anger, however, of students and faculty who see cuts to higher education as yet another shortsighted maneuver by a state government that has specialized in shortcuts and band-aid solutions.

Compared to the University of California, which draws about 20 percent of its total budget from the state, California State is much more dependent on Sacramento dollars. Including tuition revenue, California State has a total budget of about \$4.52 billion -- not including any federal stimulus funds expected this year. About 66 percent of that \$4.52 billion budget comes from the state.

While highly state dependent, California State officials argue there is no more important investment for the state at this juncture. The oft-cited evidence for that position is contained in a 2008 [report](#) from the Public Policy Institute of California, which says the state will not produce enough people with bachelor's degrees to fill its workforce by 2025. In part driven by the lower educational attainment of the state's burgeoning Latino population, California expects just 33 percent of its working adults to hold college degrees by 2020, even though it will need 41 percent to have such degrees by 2025, the report states.

"What we're really talking about here is not preparing the people we need for the 21st century to do this kind of work," said Elizabeth Hoffman, the California Faculty Association's vice president of lecturers. "We have to really think seriously about what we're doing as far as producing the human capital that's needed."

And yet, it seems the die is cast. Reed says there is "almost a zero chance" the cuts won't be as severe as projected.

"I'm an old guy, OK. I've been a chancellor for more than 25 years ... I have never seen a mega meltdown in any budget economy like what is going on," Reed said. "It's enormous what has

happened here in California. And I think part of it is [because] for the last 15-20 years California has lived on the edge by stealing, borrowing, [and] cooking the books. And it all has come together at the same time with the recession, with unemployment, with the anti-tax mood. All that is like a perfect storm, and that's why I am just amazed. It has come together at one time.”

An article earlier this week explored the impact of the budget cuts at the University of California, and a piece next week will focus on community colleges.

— **Jack Stripling**

Dispute over education funding may be near end

SacBee.com

Matthew Yi, Chronicle Sacramento Bureau

Sunday, July 19, 2009

(07-19) 04:00 PDT Sacramento -- Gov. Arnold Schwarzenegger and top legislative leaders have tentatively resolved thorny questions over education funding that had stalled budget negotiations for the past week.

The questions revolve around Proposition 98, which sets minimum funding levels for K-12 schools and community colleges. Democrats essentially favored giving education more money, while Republicans argued against spending more.

Settling this dispute would bring lawmakers closer to a deal to eliminate the \$26.3 billion deficit in the state's budget.

On Friday night, lawmakers finally made headway. Negotiations are scheduled to resume today.

"I believe that conceptually, we are in agreement," Assembly Speaker Karen Bass, D-Baldwin Vista (Los Angeles County), said without divulging details. "However, the devil is always in the details, and the details are what you need to examine next."

Budget talks between the governor and the state's top four lawmakers had stalled last week over how much to spend on education, which takes about 40 percent of the state's general fund.

Staff spent Saturday drafting specific bill language on education spending that will have to be accepted by the top lawmakers before it can become part of the entire deficit-elimination package.

According to those familiar with the education agreement, the state would avoid suspending Prop. 98, which uses a formula to dictate how much should be spent on schools that is based on the previous year's spending. Suspension of the law - which would have allowed the state to make deeper cuts to education spending - would be avoided by withholding money owed to schools for the 2008-09 fiscal year that ended on June 30.

Under the Prop. 98 formula, that would result in an automatic drop in this year's education spending - without suspending Prop. 98.

The larger controversy last week, however, was over how to ensure schools would be given billions of dollars in future years to make up for cuts made in this fiscal year and the last one.

Democrats have argued for approving legislation to guarantee as much as \$11 billion, but Republicans initially rebuffed the idea saying the plan would amend the Constitution without voter approval.

'Framework for deal'

On Saturday, sources said there is a "framework for a deal" to grant K-12 schools and community colleges \$9.5 billion starting as early as 2012.

In the past two decades of Prop. 98, a 1988 voter-approved measure, this issue of whether schools should be repaid when times are better had never popped up until this year.

"I think people didn't conceive of this particular situation," said Michael Cohen, a deputy in the nonpartisan Legislative Analyst's Office. "We made it almost 20 years before this quirky situation has come up in this exact way. That's one of the things with constitutional provisions in general: You cannot predict every situation that'll come up in next 50 or 100 years."

The controversy centers on the "maintenance factor," which was added to Prop. 98 in 1990 when voters approved Proposition 111. The idea was to ensure schools would get repaid in future years for steep education cuts when the state faced large deficits.

The debate focuses on Prop. 98's three formulas - dubbed tests one, two and three - for calculating school funding. The calculations rely on several factors, including the state's revenue, property tax collections, student enrollment and the state's per capita income.

In most years, the state has used test two (usually in good years) and test three (usually in bad years). Test one was used just once, in 1988-89, Prop. 98's inaugural year.

Under test three, Prop. 98 explicitly states that repayment is required. Test one, however, lacks the explicit language, leaving it open for debate.

Democrats argued that while there may be legal ambiguity, the intent of Prop. 98 is clear.

"Regardless of who is right in the legal question, the question is: When the times get better, do we want to guarantee repayment of billions of dollars to California's public schools," state Senate President Pro Tem Darrell Steinberg, D-Sacramento, told reporters last week after another round of late-night budget talks.

Seeking a guarantee

"Our position is very clear. When times get better, we want to guarantee education gets paid back the money, and the kids receive the money that they are owed. And that can be guaranteed by simple statute," he said.

According to the tentative agreement, state officials would first certify 2008-09 as a test three even though all of the actual figures that are required to make the calculations won't be available

until later this year. To discourage a court challenge, the deal includes setting a 45-day statute of limitations for lawsuits, sources said.

And as a backup in case there is a successful lawsuit, the plan would still authorize appropriation of \$9.5 billion to schools as early as 2012. But the appropriation could be negated in the future by another bill approved by the Legislature and the governor even after Schwarzenegger and most of the current legislative leaders, whose terms end in 2010, are out of office, sources said.

But sources added that they believe the only way for the plan to be derailed is if there is a successful lawsuit and the Legislature and the governor pass a bill to negate the planned appropriation.

Edgar Cabral, a Prop. 98 expert at the Legislative Analyst's Office, said one way to settle the future payment issue outright would be another ballot measure approved by voters to amend Prop. 98. A legislative effort to clarify could result in another legal fight, he said.

Becky Zoglman, a spokeswoman for the California Teachers Association, said a clarification would be helpful and can be achieved by legislation being proposed by Democrats.

"I think right now, it's way too early to (consider ballot) initiatives," she said. "We're hopeful that the governor and legislators will follow the will and the intent of voters."

Fewer SRJC classes, more sign-up stress

By KERRY BENEFIELD
THE PRESS DEMOCRAT

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Cody Scott knows where he will be Monday morning.

The re-entry Santa Rosa Junior College student will be seated in front of his home computer, hoping to squeeze into one of the final seats available in a beginning auto technology class.

The urgency of the matter was imparted to Scott last week during a counseling session he scheduled to help him navigate re-entering the scheduling process at a time when 15percent of class offerings have been slashed in the face of dramatic budget cuts.

“He said, ‘Just be on that computer at 7 a.m.,’” Scott said of the college counselor. “It’s more of mayhem to get into classes. I just know it’s a concern.”

The college has cut 430 classes from its fall schedule, a move officials hope will save the campus \$2.5million.

College president Robert Agrella said the school is still operating without a roadmap because the Legislature has not finished its budget revision.

“At this point we have no budget whatsoever,” he said. “We do not know what our funding will be for the semester in which we are registering students.”

Education spending is at the heart of lengthy debates in Sacramento over how to bridge California’s estimated \$26 billion budget gap. Meantime, schools are left to wait and see if ominous foreshadowing begets reality.

SRJC previously cut about \$3 million from its \$115 million budget.

Agrella offered assurances that core classes — those needed for professional certificates and to transfer to four-year schools — were spared, while personal enrichment classes were axed.

“We did not remove a lot of core classes at all,” he said.

“So far, from what I have been able to tell — of course it’s early in registration — students are getting what they need,” he said.

Students began signing up for fall classes June 29. Students are assigned sign-up priorities based on myriad factors, including current course load and military service.

The message to students to honor their registration priority schedules has clearly hit home. Registration is up over this time last year, Agrella said.

“It indicates that students are aware of cutbacks in classes,” he said.

Returning student Matthew Manalac said he was unable to get one course he needs for his administration of justice major, but wasn’t sure whether it is simply a popular class or whether cutbacks had pushed more students into fewer sections.

“Last year, they had varying times,” he said of some of his key courses. “Who knows, if I don’t take that course, it could mean I could be held back.”

Incoming freshman Caitlynn Adlard said she signed up for four units of summer classes with the hope of upgrading her registration priority. It worked and this fall her schedule will be as she wants it.

“I was pleasantly surprised,” she said.

Even if students get the courses they need, classes are likely going to be more crowded than in years past. Instead of the typical 80 percent capacity, they are expected to be 98 percent to 100 percent full.

Classes aren’t the only casualty. About 80 school managers and administrators agreed to a 3 percent pay cut and Agrella cut his pay by 5 percent. The administration is negotiating with classified staff and faculty about potential reductions in pay.

No decision is expected before about 30 days, according to Agrella.

Gov. Arnold Schwarzenegger, who dropped pensions from state budget talks, will now find out if Democratic legislative leaders share his view that retirement reform is urgently needed.

The governor said last week that he will delay pension negotiations until after a new budget is enacted. Then he presumably will renew his push to cut retirement benefits for newly hired state workers.

It's a relatively *modest proposal*. Among other things, a major pension increase enacted a decade ago would be rolled back. New state employees also would have to work 25 years, instead of 20, before getting full retiree health benefits.

The governor is not, as he did briefly four years ago, proposing that all new hires be switched to a 401(k)-style plan. The "defined contribution" plans increasingly common in the private sector rely on investment earnings.

Public employee retirement systems are the last stronghold of guaranteed monthly pension checks. Pension officials sound at times as if they think their "defined benefit" plans are under siege, if not in an outright holy war with the 401(k) forces.

"Defined benefit plans can work fine in government," said David Crane, Schwarzenegger's pension advisor. "The issue is controlling them and properly funding them when promises are made."

Crane said that after doing some research, and talking to reformers elsewhere, he thinks that government employees tend to have "a different mind set" than persons in the private sector.

The governor's proposal preserves the monthly check system. But for new hires, most benefits would be cut back to the amount in effect before SB 400 in 1999, saving the state an estimated \$74 billion over the next three decades.

Current and retired state workers have retirement benefits under labor contracts guaranteed by law. The governor's proposal last month said the promises "cannot and should not" be reduced.

"I know some people who have talked about doing something with existing obligations," Crane said. "I don't share that view."

What Crane does share is the view of business leaders such as investor Warren Buffet and John Bogle of Vanguard mutual funds. They think generous government pension benefits are based on unrealistic forecasts of investment earnings. (*See Calpensions* 10 Mar 09: "Pension funds: A double whammy?")

If they are right, pension debt could crowd out funding for other government programs, force tax increases and burden future generations. Crane, who helped build a San Francisco global investment firm, has been sounding the warning for years.

While on the board of the California State Teachers Retirement System, he repeatedly questioned an earnings forecast of 8 percent. His appointment was not confirmed by the Senate, ousting him in 2006 after nearly a year on the board.

Crane gave his view again last week in *the Huffington Post*, arguing that “the amount of our underfunding is simply staggering.” A lengthy article in the July 11 issue of *the Economist* magazine shares his concern about underfunded public pensions.

A case in point for Crane is what legislators were told about *the SB 400 benefit* increase, The California Public Employees Retirement System expected state pension contributions to “remain below the 1998-99 fiscal year for at least the next decade.”

Instead, state contributions to CalPERS, which were \$766 million in 1998-99, had climbed above that amount four years later. The state payment to CalPERS in the fiscal year that began this month is \$3.3 billion.

“What’s happening is all the promises are being made with inadequate funding,” said Crane. “People are making those decisions with inadequate information and imposing an enormous burden on future health, welfare and education programs.”

Crane, a Democrat, said Democratic legislative leaders may act on pensions, even without being prodded in a budget deal. He thinks they recognize that pension obligations are “squeezing out funding for the very programs many of them regularly champion.”

Representatives on the CalPERS board of two Democratic officials elected statewide, Treasurer Bill Lockyer and Controller John Chiang, have talked in general terms about re-examining pension benefits. (*See Calpensions* 14 May 09: “Smoothing costs, not cutting benefits”)

But public employee unions are a major Democratic constituency. Pension cuts are usually proposed by Republicans: Schwarzenegger, Senate GOP leaders, former Assemblyman Keith Richman, R-Northridge, and business-aligned groups.

The timing for a pension cut is not great. The governor has ordered state workers to take three furlough days a month, a pay cut of about 15 percent. The biggest union, Service Employees International Local 1000, is talking about a strike.

Union officials say generous pensions for government workers traditionally offset pay that is lower than in the private sector. If true in the past, said Crane, government pay is now equal or greater than for comparable private sector jobs.

Union officials also have said the governor’s “two-tier” pension plan creates fairness and equity problems among state workers. Crane said unequal compensation is common in the private sector.

What Democratic legislative leaders may hear, if they take up the pension issue, is an impassioned defense of the CalPERS earnings assumption, 7.75 percent a year, from the CalPERS chief actuary, Ron Seeling.

He and his staff have developed “smoothing” plans to avoid sharp contribution increases after the stock market crash last fall devastated pension funds. The CalPERS board approved a plan last month for local governments and schools. (*See Calpensions* 18 Jun 09: “CalPERS softens hit on local governments”)

The CalPERS board delayed action on a “smoothing” plan for the state, which is opposed by the governor. Schwarzenegger said that delaying a contribution increase would be gambling with “our kids’ money” on future investment earnings.

His administration estimated that a state contribution increase of \$879 million next July would be lowered under the “smoothing” plan to about \$30 million, followed by an increase in 2011 of \$464 million.

At a news conference last week, Schwarzenegger said that after the state budget is done he wants to work on consolidating energy agencies, meeting future needs for water and pension reform.

“Everyone understands that we are running out of money, that we have at least \$300 billion of unfunded liabilities there in the pensions,” the governor said.

“And this is not even talking about the health care for retired state employees and all this,” he said. “We’ve got to solve these things. We cannot continue promising people things that we cannot deliver.”

Reporter Ed Mendel covered the Capitol in Sacramento for nearly three decades, most recently for the San Diego Union-Tribune. More stories are at <http://calpensions.com/>
Posted 20 Jul 09

How Obama's \$12-Billion Plan Could Change 2-Year Colleges

The Chronicle of Higher Education

July 17, 2009

By MARC PARRY and KARIN FISCHER

There was near-universal praise this week as President Obama announced a plan to spend an unprecedented \$12-billion over 10 years to improve programs, courses, and facilities at community colleges. The money, the president said, would position two-year institutions to produce five million more graduates over the next decade and to play a leading role in rebuilding the economy.

“This is the president’s equivalent of a moonshot,” said Jamie P. Merisotis, president of the Lumina Foundation for Education, who advised Mr. Obama’s transition team on higher-education issues.

But after the dazzle of the dollars dims—along with the novelty of the presidential spotlight on what even Mr. Obama called the “stepchild of the higher-education system”—many questions will remain: How will the grants be awarded? Can the administration ensure that community colleges will, as the president proposes, help workers learn the “skills they need to fill the jobs of the future,” instead of preparing them for professions of the past? And is a brand-new grant program the most effective way of achieving Mr. Obama’s ambitious goals?

After all, Mr. Obama’s proposal is just that, a proposal, and how the measure, which was included in a broader higher-education bill introduced the day after the president’s announcement, takes shape as it moves through the legislative process will very likely determine its efficacy.

“You’ve got to go from a strong vision to strong practical application,” said Steven L. Johnson, president of Sinclair Community College, in Ohio. “The sentiment is correct, but how do you deliver?”

At Macomb Community College, in a Detroit suburb, students and professors thrilled at the president’s choice of their campus as the backdrop for what many called a historic announcement. But Macomb’s challenges, in a region that made its own history recently with the bankruptcies of General Motors and Chrysler, in many ways mirror those broadly facing community colleges in today’s faltering economy.

Just ask Arthur W. Knapp. Over eggs and home fries at Andrea’s Garden, a diner across the street from the campus, the professor of electronic-engineering technology recited the now-customary phone calls he gets from unemployed refugees of those companies looking for retraining. Mr. Knapp said he tried to be optimistic, even in the face of the inevitable and painful question: “Where am I going to get a job?”

Next to Mr. Knapp's plate the other morning was a copy of the day's *Detroit Free Press*, which welcomed Mr. Obama with a decidedly skeptical editorial. "No one should want to rain on the president's parade," the editors wrote. "But Michigan has emphasized job retraining for months, if not years now—and yet people keep losing their jobs."

Jolts to the Economy

Mr. Obama clearly means for the proposal to provide an economic jolt. Indeed, many national news outlets covered the speech as a major economic announcement, not an education announcement.

The magnitude of that impact, say experts on higher education and work-force development, will depend on the types of job-training programs the effort supports.

"All degrees and certificates are not created equal," said Julian L. Alssid, executive director of the Workforce Strategy Center, a research group in New York. The final legislation, Mr. Alssid said, should stress that such training must be done in concert with broader efforts to spur regional economic growth and create well-paying, lasting jobs. It does little good to prepare a work force if there is no work, or to shunt the recently laid-off into low-skilled jobs that offer little security, he said.

But in Michigan, many students talked about how you go to college now for hope, not for a firm job guarantee.

Pamela M. Shropshire, a former pastry chef who is studying at Macomb for a career as a clinical therapist, said her three children all planned to live outside Michigan after college.

"And if things don't get better," she said, "once I'm done with school, I may have to consider moving away from Michigan as well."

Stories like Ms. Shropshire's lead some critics to question whether the president's emphasis on using community colleges as a vehicle for worker retraining is well placed.

Neal P. McCluskey, associate director of the Center for Educational Freedom at the Cato Institute, a libertarian research organization, argues it makes more sense for employers to do their own on-the-job training rather than leave it to community colleges to try to forecast what skills businesses will need.

Eugene W. Hickok, a former deputy secretary of education under President George W. Bush, said that while he welcomed the increased attention on community colleges, he was disappointed that the proposal did not also include for-profit institutions, which increasingly provide education and job training. "It's shortsighted not to include that rapidly growing sector," Mr. Hickok said.

Tough Problems, Creative Solutions

Aside from seeding better connections with the business community, the bulk of the money Mr. Obama proposed is for a pair of new grant programs for states and two-year institutions to test

promising programs and practices, including those meant to improve student learning and training, increase completion rates, and better track student progress.

Issues like retention and remediation are not easy ones to wrestle with, as community-college leaders well know. James Rose, chair of the National Council of State Directors of Community Colleges, said that in some states, as many as 70 percent of community-college students must take at least one remedial-education course.

“We have great capacity for open access, for getting them in,” said Mr. Rose, who also is executive director of the Wyoming Community College Commission. “The challenge for us is getting them across the stage to get their certificate or diploma.”

The Obama administration has pointedly refrained from singling out particular programs as models of those that would receive support from the new grants. Robert M. Shireman, deputy under secretary of education, said this week that the administration did not want to be in the position of “micromanaging.”

“We want folks to get creative, and to look at situations and figure out how to get people to the finish line,” Mr. Shireman said.

Still, the administration has identified several promising approaches. Louisiana’s performance-based scholarship program, for instance, allows residents who meet grade-point-average and standardized-testing requirements to attend the state’s public colleges at little or no cost.

At Kingsborough Community College of the City University of New York, more than half of new students enroll in the learning-communities program, in which two dozen students take three courses together: an English class, a required general-education class, and a study-skills class. “That reinforces the learning in both areas,” said the college’s president, Regina S. Peruggi, who credits the institution’s seven-percentage-point increase in its graduation rate over last year to the program.

Marlene B. Seltzer, chief executive and president of Jobs for the Future, a nonprofit group, said the Obama administration could build on effective work already being done at community colleges across the country. Her group, for example, is working with Michigan community colleges, including Macomb, on getting lower-skilled students through remedial courses and into training for “green” jobs. “There is a cadre of innovators out there,” Ms. Seltzer said.

One of the most significant outstanding questions is how the grants will be awarded. A spokesman for the president, Shin Inouye, said only that the grants would be competitive among both states and individual colleges, and that the administration would work with Congress to complete the details.

While the \$9-billion price tag sounds substantial, observers caution that, spread over 10 years, 50 states, and more than 1,000 colleges, it would stretch only so far. Grantees would need to show that they had not only the best programs, said David A. Longanecker, president of the Western Interstate Commission for Higher Education, but also the best programs for the money.

In crafting legislation, Mr. Longanecker and others said, the Obama administration and lawmakers need to set clear, measurable goals and demand that colleges and states demonstrate results. It's not enough to hold the broader goal of five million more students out there as a yardstick, they said.

"We need an academic bottom line," said Mr. Hickok, the former Bush official.

Alicia C. Dowd, who has worked on issues of community-college access and retention as co-director of the Center for Urban Education at the University of Southern California, said she worried that the process could favor wealthier institutions. The colleges she works with, which serve largely low-income, minority students, often don't even have grant writers, said Ms. Dowd, who is an associate professor of higher education.

And Charlene R. Nunley, a former president of Montgomery College, in Maryland, said her "only apprehension" about the measure was that an increase in federal funds for community colleges could lead state and local governments to cut their support.

Washington veterans also warned that this, like any grant program, could be vulnerable to legislation from Congress that directed which institutions should receive the funds. "Anytime you create a new discretionary program, you have the possibility that someone will want to earmark some or all of the funds," said Terry W. Hartle, senior vice president for government and public affairs at the American Council on Education.

Mr. Hartle cited the Fund for the Improvement of Postsecondary Education, or Fipse, where much of the money has been earmarked by Congress. "There's nothing you can do to stop it," Mr. Hartle said. "If the distribution formula favors one type of region or one type of college, chances will increase that the funds will probably be earmarked."

Infrastructure and Online Education

Also included in Mr. Obama's proposal is a \$2.5-billion fund "to catalyze \$10-billion in community-college facility investments," money that can be used to pay the interest on debt, create state revolving-loan funds, and kick-start capital campaigns. Whether colleges can succeed in raising funds or issuing bonds in the current economic climate, however, is unclear.

Still, the money is vital, several experts said, as the surge in students further strains a worn infrastructure. Between the 2001-2 and 2005-6 academic years, nearly 2.3 million new students enrolled at community colleges, the greatest such boom since the 1960s, when many of the institutions were founded. At the same time, two-thirds of all state community-college systems report deferred maintenance needs, according to a 2007 survey by the Education Policy Center at the University of Alabama. There has been no major federal program for community-college construction and renovation since the 1960s, when the government gave out \$1-billion annually from 1965 to 1970, said Stephen G. Katsinas, the policy center's director.

"It's probably not enough, it's probably nowhere near enough," he said of the \$2.5-billion proposal. "But this is the first administration since Lyndon Johnson to see the need."

At Macomb, Michael J. Balsamo voiced excitement that President Obama saw the need to help community colleges put classes online, too. As he waited with hundreds of other spectators to cross through the security checkpoint for the president's speech, Mr. Balsamo, associate dean of business, said more online courses could attract more students without filling up already maxed-out classrooms. It could also help retain students, he said, because those who are unemployed may abandon their studies once they find jobs.

Many questions also remain unanswered about the president's proposal to spend \$500-million to develop online education. The administration has described the support as "seed funding," saying "teams of experts" would develop open courses that would then be shared and potentially modified. Various federal agencies are supposed to collaborate on making the courses "freely available through one or more community colleges and the Defense Department's distributed-learning network."

Mr. Shireman said the federal government would not own the courses. Rather, as a condition of the grants, the material would be in the public domain "so it could be used for free by anyone," he said.

One lobbyist briefed on the proposals expected that a range of nonprofit and for-profit entities would be able to apply. It's unclear exactly how delivery of the courses would work, how credit might be awarded, and whether the courses created might compete with existing online offerings at community colleges, which already enroll many online students.

One source of the administration's interest in this area may be Martha J. Kanter's experience with open materials as chancellor of the Foothill-De Anza Community College District, in California. Ms. Kanter, now under secretary of education, led Foothill while it undertook a pilot project, backed by the William and Flora Hewlett Foundation, to promote the free sharing of community-college-level course materials on the Internet. Eight complete courses were published, and the material has since been "widely adopted," said Vivie Sinou, who led the project, known as the Sofia initiative.

Officials with Carnegie Mellon University said they suspected the White House has been interested in their Open Learning Initiative. That program develops highly interactive college courses based on research on how students learn. The courses—there are 12 now, including ones in biology, chemistry, economics, French, and logic—are not inexpensive to develop. Initially, the cost per course was as much as \$2-million, but that expense has dropped to \$1-million to \$1.5-million. A few months ago, the university received an inquiry about the program from the White House Office of Science and Technology Policy.

Ultimately, one application of the online material produced may be remedial education for either high-school or college students, said Sally Johnstone, provost at Winona State University and a longtime participant in the open-education movement. For example, she said, a university with 300 people who needed a certain remedial course—say, pre-college algebra—could draw on the open materials.

The college, she said, could effectively tell those students: "You're not ready for college algebra, based on tests and performance. Take this course. You won't get credit for it, but it will get you to ... a state of knowledge that you'll be ready to take the course offered by the university."

Political Calculations

While President Obama has set the broad parameters for the measure, it is now up to members of Congress to determine its final shape. The community-college provisions were included in broader higher-education legislation to overhaul student lending and make other changes in student-aid policy introduced on Wednesday.

That bill, however, is not without controversy, most notably surrounding a plan by the president to end the bank-based guaranteed-loan program. Indeed, funds for the community-college effort are contingent on the lending changes, which the administration says will free up billions of dollars.

Whether Mr. Obama, who also faces tough fights over his proposals on health care and climate change, is prepared to play political hardball on higher education remains to be seen.

Already there are signs that the proposal is not welcomed by all higher-education groups. In a letter to member colleges, David L. Warren, president of the National Association of Independent Colleges and Universities, wrote that while the administration's recognition of the role of community colleges was "appropriate ... there are some disturbing signs that enthusiasm for expanding their role may drive policy decisions that are both unfair and unwise."

The proposed grant programs "for the first time have the federal government providing funds directly to one sector of American higher education, to the exclusion of other sectors," Mr. Warren, who has not commented publicly on the legislation, wrote.

In addition, Mr. Warren expressed concern that the community-college proposal could draw resources away from the Pell Grant, the federal need-based student-aid program. The president has proposed making Pell Grants an entitlement, removing financing decisions from the annual appropriations process, and tying the maximum award to a measure of inflation.

Privately, some community-college leaders say expanding the Pell Grant could actually be a more effective means of improving college access and increasing the number of skilled workers because it would enable more needy students to attend college.

Publicly, though, the colleges, and their backers, are enjoying their moment in the sun.

"This is the first president," said Alabama's Mr. Katsinas, "who gets it."

Interns see budget ax up close

District offices give unique perspective

By Maureen Magee

UNION-TRIBUNE STAFF WRITER

2:00 a.m. July 20, 2009

SAN DIEGO — Given the recession, 16-year-old Anthony Martinez knows how lucky he is to have a job this summer – especially because his is a paid internship that he hopes will impress colleges.

But there is also a voyeuristic thrill of sorts that comes with Anthony's employment. He's an intern in the San Diego Unified School District finance office during the worst public education fiscal crisis in memory.

“Most kids wanted internships at the downtown Marriott or somewhere exciting,” said Anthony, a student at the San Diego High School business academy. “I really wanted this one – to me this is exciting, it's intense. But I guess it's also depressing.”

Anthony is one of four interns in the district finance department this summer, the very offices where some \$200 million in budget cuts were hashed out this spring, including \$80.2 million in cuts for the 2009-10 school year.

The San Diego High business students have a front-row seat of the ongoing funding meltdown, and it could get worse. Although California is still without a budget, the state would suspend \$3 billion in education funding under a proposal from Gov. Arnold Schwarzenegger.

The interns are getting a unique perspective before heading back to school in September, when they will confront the other side of the equation in the way of larger classes, a smaller faculty and fewer classroom supplies.

“When the kids are here, they get the real picture,” said budget analyst Sharon Fitz, who is training Anthony to use software designed to coordinate field trips to save on transportation costs.

“Anthony probably recalls going on a field trip to the zoo at some point. Now he will realize the costs that went with it: fuel, bus maintenance and the salary of the driver,” Fitz said. “A lot of schools canceled field trips last year during the spending freeze. Anthony is learning why that happened.”

As Anthony reviews field trip costs and other expenses that go along with field trips, he said he has developed a new appreciation for the behind-the-scenes work of budget planners.

“I see that it's not as easy as it seems to keep schools running,” he said. “I mean everything, even a field trip, has to go through so many people and offices before it gets to a school.”

The School of Business is one of six small, themed academies at San Diego High designed to give students a personalized, more meaningful education. Business students are encouraged to serve summer internships that coordinate with their specialized curriculum and prepare them for careers and college.

Some of this year's internships are through the New York-based National Academy Foundation, which works with 385 Academies of Finance nationwide.

Foundation spokesman Bob Levy said interns are not only getting a close look at history by working in finance during what some are calling the Great Recession, but they are also improving their own education.

For example, research conducted by the foundation shows:

Just over 50 percent of foundation-affiliated graduates earn a bachelor's degree in four years, compared with the national, non-academy average of 32 percent. Of those who go on to postsecondary education, more than half are the first in their families to go to college. Perhaps most significant to students such as Anthony, career-academy graduates earned \$16,704 more over eight years following high school than non-academy members studied by the foundation – 11 percent more per year.

Anthony is already planning for his own profitable career.

After graduating next year, he plans to study business at either UCLA or San Diego State University – via community college unless he scores a scholarship. After earning a degree, he wants to open his own restaurant. The venture would use skills he's picked up from the three jobs on his résumé to date: the finance internship, which would help him run the business; a stint waiting tables, which gave him firsthand knowledge; and a tough gig as sandblaster, which could come in handy when it comes to building his dream cafe.

In the meantime, Anthony is researching how to best invest the \$1,200 – paid for with foundation money – he earns for his 120-hour summer internship.

“I'm thinking about a mutual fund or stocks,” Anthony said. “We played this stock market game at school, and I bought stock in Axa (a holding company for an international financial services group) and it went from \$9 to \$13. I think I'll buy Axa.”

Measuring the Dreaded 'P' Word InsideHigherEd.com

July 17, 2009

Continuing its efforts to identify and encourage new ways to measure higher education performance, the Delta Project on Postsecondary Education Costs, Productivity and Accountability issued a [new report](#) Thursday designed to gauge how successfully public colleges in various states use their available resources to produce graduates with credentials that are valued in their markets. The report, "The Dreaded 'P' Word: An Examination of Productivity in Public Postsecondary Education," also ranks states using the measure.

Like most of the project's work, the new study aims to give policy makers and university leaders more tools to rebut the argument that it is difficult if not impossible to measure the effectiveness of colleges and universities. The report, by Patrick J. Kelly, senior associate and director of the National Information Center for Higher Education at the National Center for Higher Education Management Systems, won't be appreciated by all; the author acknowledges many of its limitations, notably that it focuses only on colleges' degree production (a critique leveled against [the last Delta-produced study](#)) and that it makes no effort to gauge the quality of the credentials produced.

But at a time when policy makers, led by those in the Obama administration and in Congress, are focusing intently on higher education's need to significantly increase the number of Americans with a higher education credential of some sort, the focus seems appropriate, Kelly argues. " 'Business as usual' -- at current costs per degree -- would require substantial new investments," Kelly writes -- investments that are unlikely to emerge, despite the federal government's current plan to provide some additional financial incentives to help states in their efforts.

So "[h]ow well higher education institutions perform with the resources they have, and how they can improve performance with few or no new resources, are uncomfortable questions that are here to stay," he adds.

Kelly's approach aims to improve on the traditional methods of measuring public colleges' (and, by extension, state higher education systems') productivity, such as graduation rates (which ignore part-time students and those who transfer without having earned an associate degree) and the number of credentials produced per full-time-equivalent student (which ignores the value of the degrees and certificates produced and does not account for how much the institutions spend to produce those credentials).

Using publicly available data (in hopes of making it easy for policy makers to replicate), the report starts with the total funding for each state's public colleges, combining state and local appropriations and tuition and fee revenues, which account for the vast majority of operating funds for state institutions over all. The analysis then weights the numbers of degrees and certificates that a state's colleges award (by level) by the median earnings associated with them

in the state's employment market. Higher degree levels are weighted more heavily, as are credentials and science and technology fields.

An average "weighted" value of a credential is calculated for each state, and divided into the total public college funding, producing a "productivity" figure that amounts to the total amount spent per certificate and degree.

Based on Kelly's analysis, Florida, Colorado, Washington, Utah and North Dakota have the lowest costs per weighted credential awarded, while "the least productive states -- those with the highest cost per credential -- are Alaska, Wyoming, Delaware, Rhode Island and Connecticut."

Importantly, he writes, "there is no evident relationship at the state level between resources and performance: higher levels of resources do not result in more credentials awarded per student." Some of the best performing states, including Colorado, Utah, Florida, Oklahoma, and Washington, receive comparatively little in state and student resources, while some of the least productive states are those with some of the highest levels of resources.

— **Doug Lederman**

Schwarzenegger should be talking to himself

LA Times

The governor is at the very least a co-conspirator in causing the state's deficit.

George Skelton, Capitol Journal

July 20, 2009

From Sacramento -- Gov. Arnold Schwarzenegger has been chanting this mantra since he first landed in Sacramento: *Sacramento must learn to live within its means.*

The volume rose in late June when budget talks heated up.

The governor lambasted "Sacramento's failure to live within its means" -- as if he weren't Sacramento's most powerful politician.

At a Los Angeles news conference, he complained that "they live way, way beyond their means."

He also repeatedly asserted that "we must stop promising programs and services that we can't afford."

Hear, hear.

But rather than talking to a TV camera, Schwarzenegger should be talking to a mirror.

It's true that Democratic-dominated legislatures have been guilty of passing bills that spent money the state didn't have. But most of what gets spent in Sacramento must be OK'd by a governor.

Besides the power to veto any bill, California's governor can grab his "blue pencil" and reduce spending, within limits, before he signs a budget. It's a "line-item veto" power that Schwarzenegger has frequently used, but obviously not enough, given the anti-tax climate he has helped generate.

All told, this governor has blue-penciled \$5.1 billion from budgets, \$2.4 billion of it general fund spending.

For Schwarzenegger to rail about the state not living within its means is disingenuous, to put it politely. He's as guilty as anyone -- at minimum a co-conspirator. In fact, he's directly responsible for a significant portion of the current \$26-billion budget gap.

Rewind to even before Schwarzenegger came to Sacramento vowing to "end the crazy deficit spending."

In 2002, Hollywood's action hero created a ballot initiative for after-school programs that he used as a springboard to the governor's office the next year. He charmed the business and school lobbies and intrigued the electorate, which approved his Proposition 49 by a 57% majority. The program became a \$550-million annual hit on the general fund.

Schwarzenegger's ballot measure provided no separate funding for the program. The money comes off the top of the deficit-ridden general fund. So while classrooms are closing, summer schools are being canceled and music and art are being scrubbed, the state must pay for after-school programs. That \$550 million could support roughly 7,000 teachers, according to the Legislative Analyst's Office.

Schwarzenegger has resisted legislative efforts to return Prop. 49 to the voters for revision, if not outright repeal.

The governor committed his biggest fiscal blunder, however, immediately after being sworn in. That was his so-called car tax cut, a crowd-pleaser.

Schwarzenegger had campaigned full throttle against Gov. Gray Davis' "outrageous" raising of the vehicle license fee. His favorite stunt was using a wrecking ball to smash an old jalopy that symbolized the tax.

Davis really had only bumped the fee back to its historic level: to 2% of a vehicle's value, rather than a recently enacted 0.65%.

Schwarzenegger's canceling of the fee hike actually amounted to the single biggest spending increase of his reign. That's because all the revenue from the vehicle license fee had gone to local governments, and Schwarzenegger generously agreed to make up their losses by shipping them money from the state general fund.

The annual drain on the state treasury was \$6.3 billion until February. Then the governor and Legislature raised the fee to 1.15% of vehicle value, saving the state \$1.7 billion. But it will revert to its lower level in two years.

Cutting the car tax plunged the state deeper into debt just as Schwarzenegger was taking the wheel. To cover it -- at least temporarily -- the new governor went on a borrowing binge. It didn't take much to persuade the Legislature and voters to authorize \$15 billion in "economic recovery bonds."

Passing those bonds and a companion spending "reform," the governor promised, would mean "no more deficit financing." They'd live within their means. Sacramento would "tear up the credit card and throw it away."

The only thing thrown away was all the bond money, spent long ago on daily expenses -- the equivalent of borrowing to buy groceries.

The state's annual tab on the debt currently is \$1.2 billion.

The bonds are only half paid off and aren't scheduled to be fully retired until 2016.

Granted, Schwarzenegger committed those errors early, as a rookie. He might act differently today, although there's little evidence of it.

He has a pattern of supporting exotic ballot measures that authorize discretionary spending without the revenue streams to pay for them, thus piling more of a burden on the bleeding general fund.

One example: the nearly \$10-billion bond measure last November to make a down payment on a bullet train from Los Angeles to San Francisco. That will cost the treasury \$647 million annually for 30 years.

Example two: the \$3-billion stem-cell research bond in 2004, costing the state \$200 million annually for 30 years.

Now, to balance the budget, he wants to raid local governments' money. That's hardly living within the state's means.

All that said, general fund spending hasn't been as "out of control" as the deficit or Schwarzenegger's rhetoric would indicate.

The governor's number crunchers calculate that average annual spending growth under Schwarzenegger has been a mere 0.8%, based on his latest budget proposal. Under Davis, it was 6.3%; Pete Wilson, 4.6%; George Deukmejian, 8%; Jerry Brown, 12.7%; Ronald Reagan, 13.6%.

Neither was February's \$12.5-billion tax increase that horrific, looking at the big picture. Schwarzenegger keeps calling it "the biggest tax increase in the history of California" -- not to brag but to get liberal taxers off his back.

In strictly dollar terms, he's right. But in relevant terms -- comparing the tax hike to the general fund size -- the all-time champ is Reagan. His tax increase equaled roughly 30% of the general fund. Wilson's was 16%; Schwarzenegger's 14%.

Living within your means sometimes requires increasing the means.

The View From the States InsideHigherEd.com

July 20, 2009

SANTA FE, N.M. -- State higher education leaders are a respectful bunch, so it was no surprise that Martha J. Kanter, the U.S. under secretary of education, got a warm reception when she spoke to the annual meeting of the State Higher Education Executive Officers here this week. But -- given the typical "we know better" attitude of federal officials and the history of unfunded mandates passed down to the states -- members said they could not remember the last time a federal official got the sort of impromptu standing ovation Kanter received when she ended her luncheon speech to the group.

Surely that was partly because of Kanter's down-to-earth personal style and the passion with which she delivered her message of challenge and change. It was also undoubtedly attributable to the fact that the day before, she had, in helping President Obama unveil a new community college initiative, delivered the latest in a long line of signals that the new U.S. administration values higher education and recognizes its importance to the country's future prosperity.

Perhaps most of all, though, the state leaders seemed to appreciate that Kanter, as a longtime president of public institutions of higher education, appeared to recognize in her every word the central role that states will have to play in carrying out the shared "national" strategy around which federal and state policy makers, foundations, and other leaders appear to be coalescing: significantly increasing the rate of college degree completion in the United States.

President Obama has thrown his rhetorical weight behind that agenda, and the administration and Congress are prepared to provide financial incentives to stimulate it, Kanter said, but states and their leaders will have to do most of the work.

"It's probably not the most popular conversation for you as state leaders to say that the achievement gap is at the top of your agenda, but if it isn't, we won't have an agenda," she said. The federal government can provide money for states to plan and share data, and to encourage the development and spread of successful practices. "But it's going to be up to us to figure out how to scale them and sustain them."

The state leaders gathered here generally shared a sense of optimism and excitement about how the federal government's support, rhetorical and financial, aligns with their own desires (framed by the SHEEO organization) to increase college going and higher education attainment in their backyards. Attendees eagerly gobbled up information about what was happening in Washington (President Obama announced his community college plan as the meeting got under way, and Congressional Democrats unveiled their legislation to carry out the Obama plan as it continued.)

But beneath the enthusiasm at the meeting of state higher ed leaders was a sense of reality, even skepticism, about how easily the agreed-upon agenda will come to pass. "Creating a global work force is a great 30,000-foot mantra, but how do you translate that into dynamic strategies

locally?" said Robert Stein, commissioner of higher education in Missouri. "There's a big difference between 'here's an idea we want to do' and 'here's a realistic plan of how to do it.'"

Many structural and other impediments await at the state level, especially since some of the policy changes that might be necessary to significantly increase the college credential count (such as revising funding formulas to reward institutions on completion rather than enrollment, and to direct more students to community colleges for the first two years of college) have historically provoked significant opposition. Wide variation in the power and authority of higher education agencies -- and in the interest level and commitment of governors and legislators -- from state to state is another potential roadblock. So, too, are the perceived quality and capacity of the states' community college systems to handle additional students and responsibility.

And while the enormous financial stress many states now face could encourage more innovative thinking, it could also make state leaders more afraid to shake things up, many here said.

"States are generally excited and nervous at the same time," Stein said. "True leaders have to think differently and not fall back into comfort zones. Are we going to end up chasing dollars by doing more of the same, or are we going to really get some change?"

Emerging Consensus

The annual meeting of the State Higher Education Executive Officers association, which represents the agencies that govern or coordinate college systems, provided fresh evidence of what is increasingly becoming a consensus national strategy for higher education. National higher education groups like SHEEO, the Making Opportunity Affordable initiative, and major philanthropic groups like the Bill & Melinda Gates Foundation and Lumina Foundation for Education have in recent years embraced the same basic philosophy about higher education: that the country needs to significantly increase the number of Americans with a college credential to ensure a sufficient flow of skilled workers for the changing economy.

That emerging consensus gained the high-profile backing of President Obama in February, when he called for having the United States "once again have the highest proportion of college graduates in the world." Since then, the president has thrown the full weight of his administration behind the goal, emphasizing higher education in the economic stimulus package, pushing for massive increases in Pell Grant spending and, last week, proposing a major influx of funds into (accompanied by increased expectations for) community colleges.

An "amazing convergence," Molly Corbett Broad, president of the American Council on Education and a speaker at the SHEEO meeting, called the common views. "All these groups are aligned around this issue of college access and completion," added William E. (Brit) Kirwan, chancellor of the University System of Maryland and chairman of the College Board's Commission on Access, Admissions and Success in Higher Education, whose own report, "Coming to Our Senses: Education and the American Future," hit many of the same themes.

Paul E. Lingenfelter, president of the SHEEO group, compared the consensus that has emerged between federal and state policy makers as on par with other seminal moments when higher education has soared to the top of the national agenda, such as the passage of the Morrill Act, the GI Bill, and the Higher Education Act of 1965, and that "changed what we thought about higher education."

SHEEO published an April document laying out what the federal government and states need to do to achieve the "completion" agenda, and the Obama administration and Congress are "doing exactly what we wanted," strengthening Pell Grants, providing support for state higher education data systems, ensuring continued access to student loans, revamping the Workforce Investment Act and, perhaps most importantly, "providing moral leadership" through the use of the bully pulpit, Lingenfelter said.

Many longtime state higher education officials say they've been heartened by the extent to which the Obama administration, in contrast with some of its predecessors, seems to recognize that most of the heavy lifting must be done by the states. "They're starting with the understanding that they have to work through the states, and they don't necessarily assume that they're able to do everything," said Dewayne Matthews, vice president for policy and strategy at the Lumina Foundation and a former state higher education executive in New Mexico.

"The hope is that this federal push can provide an impetus to the states to attack the really tough stuff," tackling issues such as institutional productivity and the criteria they use to distribute money to colleges and universities.

Moving Beyond Rhetoric

That's where the rub may be.

For most states (and in turn the country) to dramatically increase the number of college goers and graduates they turn out, for instance, will require "redefining 'excellence' in higher education," Lingenfelter said, arguably focusing more attention, and money, on two-year and four-year colleges that emphasize undergraduate education than on research universities. (The SHEEO agenda for states calls for "establishing the maximization of educational attainment as the explicit policy goal for state appropriations and tuition," shorthand for tying state money to how successfully colleges enroll and graduate students from underprepared backgrounds.)

While a few states have moved in this direction in recent months, these are the kinds of shifts in policy direction that tend to create divisions among different sectors of higher education and their legislative supporters, often resulting in their running aground. In many states, legislators are more interested in boosting the research university, often where they enrolled and want to send their kids, than the community college system. And many state economic development plans emphasize the potential of spinoff businesses from research over the workers that two-year and four-year undergraduate colleges might crank out.

And unless and until states are able to change the way they make higher education policy, putting the interests of the entire state and of students above those of institutions, it may be difficult to translate the powerful rhetoric of the Obama administration and others into action.

"So much of what the federal government is doing can be checkmated by states and institutions," said Patrick Callan, whose National Center for Public Policy and Higher Education has long advocated for the sorts of changes around which the political and policy establishments are now converging. "The federal government can incentivize the states and institutions, but when it comes to politics, so much still tends to be about the care, feeding and regulation of institutions."

In addition to possibly reallocating how they distribute their money, Callan and others say, states may have to get tougher about limiting institutional missions and reining in their program growth. There is enormous variability in the power and authority of state higher education executives to impose their will in that way, dictated as much by how much support and attention they have from their governors as by their statutory authority.

State agencies interested in producing change internally may get some added momentum, if not outright authority, from the sticks and carrots that the federal government appears poised to include in legislation now being drafted to carry out the Obama administration's community college initiative and other changes, said Stanley G. Jones, former commissioner for higher education in Indiana and now president of the National Consortium for College Completion, a Gates-funded effort.

Unlike the economic stimulus package, which Callan said poured billions of dollars into higher education "without any requirement for innovation," President Obama's community college initiative, and Rep. George Miller's legislation to carry it out, are filled with requirements aimed at ensuring performance, Jones said. "This is not a program to just give money and hope people do good things," he said. "There's a lot of money, but it's also about reform."

One other major factor clouds the landscape on this and virtually every other issue facing higher education: the economic distress facing the country and most states. It is certainly possible that states' economic difficulties might give the federal government more latitude to prod states to change by holding out financial help and attaching significant strings that would require them to change their behavior to get their hands on it.

But history -- and even recent behavior -- also shows that states tend to respond to economic changes by just "expanding or contracting on the model they already have," said Callan, noting that one need look no further than his home state of California to see university and college leaders there cutting back on the number of students they enroll because of decreased budgets.

So for all the talk of unprecedented convergence around the need for the country and its component states to increase their college going and completion rates, Callan said, "we may be taking a step backward in California and elsewhere on the goal, and the clock is ticking."

— **Doug Lederman**

A key test for L.A.'s community colleges

LA Times

Editorial

July 21, 2009

Two institutions are on probation for failing to conduct 'program review.' Though that sounds like a minor administrative matter, it helps schools answer a big question: Do our programs work?

Two Los Angeles community colleges had their accreditation placed on probation this month, not because their academic offerings aren't good but because they have little way of knowing whether the offerings are good or not.

Failure to conduct "program review" might sound like a minor administrative weakness at schools that try to meet a thousand needs with limited funds. But one of the most basic things a college can do is examine its programs to see whether they work. How many of the students who plan to transfer to a four-year college are able to do so within two or three years? Do the graduates of vocational-tech programs find jobs? Is counseling to prevent students from dropping out actually keeping them in school?

With L.A. City College and L.A. Trade-Technical College now on probation because they were not conducting such examinations -- and L.A. Southwest College recently removed from probationary status that was imposed last year over similar issues -- the Los Angeles Community College District should be reviewing all of its nine campuses to make sure they are bringing accountability to their daily practices.

Instead, district officials tend to downplay such complaints from the Accrediting Commission for Community and Junior Colleges. "They really are sort of technical issues," Gary Colombo, the district's vice chancellor for institutional effectiveness, told The Times regarding the latest disciplinary measures. It's true that the accrediting agency wasn't alleging anything like an inferior education. But in ways, program review is even more basic. The colleges have no way of determining how good they are at educating students -- and the public has no way of judging how well they serve the "community" they are named for -- without regular assessment.

That will be even more important now that President Obama has pledged to spend \$12 billion on community colleges. Most of that new money will be in innovation grants to colleges that can show they have effective, efficient programs for keeping students in school and preparing them for jobs. Colleges without internal accountability measures in place will be at a competitive disadvantage.

It's easy to see how college administrators might let program review slide. In a bad economy, they are inundated with laid-off workers seeking training for new jobs, new college students looking for a cheaper path to a four-year degree and adults looking for low-cost recreational classes -- all of which they're supposed to provide with a predicted budget cut of hundreds of millions of dollars. That's all the more reason to ensure that every dollar is spent well.

Ex SF City College chancellor pleads not guilty
examiner.com

Jul 14, 2009

Filing opens for Nov. 3 South Bay elections

DailyBreeze.com

From staff reports

Posted: 07/13/2009 05:38:41 PM PDT

The filing period opened Monday for candidates seeking office in the Nov. 3 elections in five South Bay cities, 11 school districts and two special districts.

Candidates have until Aug. 7 to file nomination papers with the county Registrar/Recorder's Office. In races where incumbents choose not to run, the filing deadline will be extended to the following Wednesday.

Here's a rundown of what's open:

Cities: Three City Council seats are up for grabs in Lomita and Hermosa Beach. Two council seats will be contested in Hawthorne, Rancho Palos Verdes and Rolling Hills Estates. Additionally, Hawthorne voters will cast ballots for mayor, clerk and treasurer.

School districts: Two seats are open on the El Camino College Board of Trustees. Three seats will be on the ballot in the Centinela Valley, El Segundo Unified, Hawthorne, Hermosa Beach, Lennox, Manhattan Beach Unified, Palos Verdes Peninsula Unified, Torrance Unified and Wiseburn school districts. Up for grabs in the Lawndale School District will be three seats with full terms and another with an unexpired term.

Special districts: Two seats are up for grabs on both the Palos Verdes Library District and the Miraleste Recreation and Park District.

Former city college chancellor charged

Lance Williams, Chronicle Staff Writer

Thursday, July 9, 2009

The former chancellor of City College of San Francisco was charged Wednesday with illegally paying out \$150,000 in public funds for political donations and other banned expenditures.

In a complaint filed by the district attorney's office, Philip Day, 63, who left the college in 2008, was accused of eight felonies for allegedly directing a conspiracy in which college money was diverted into campaigns promoting local and state bond measures to benefit community colleges.

State law bars spending public funds on political campaigns, and it also is illegal to "launder" political donations by concealing their true source. Day broke both laws, the complaint says.

The district attorney's investigation was prompted by Chronicle stories that detailed political fundraising abuses in a 2005 campaign for a \$246.3 million City College bond, according to the complaint.

Day, who now is head of a Washington-based education lobby, also was charged with illegally steering college funds into a secret slush fund he set up at City College's charitable foundation.

The chancellor used the fund to pay for alcohol for parties he hosted, parking tickets run up by wealthy alumni and for his \$1,800-per-year membership at the City Club of San Francisco in the Financial District, according to the complaint. The college's trustees never knew about the fund, court records show.

Attempts to reach Day were unsuccessful.

Two others charged

Two other educators also were charged with crimes. Administrative services officer Stephen Herman, 61, accused of aiding Day in misappropriating the funds, was charged with seven felonies.

Associate Vice Chancellor James Blomquist, 62, charged with one felony, is accused of steering a \$10,000 lease payment owed to the college to the campaign for the \$246.3 million bond measure enacted by San Francisco voters in 2005.

Attempts to reach Herman and Blomquist were unsuccessful.

If convicted of all charges, Day could face a maximum sentence of nine years in prison and fines of more than \$300,000.

According to the complaint, prosecutors began their investigation in 2007 in response to the Chronicle stories about irregularities in the 2005 bond campaign. Also in response to the

Chronicle reports, the college's trustees promised reform, and Day caused several of the problematic donations to be refunded. The college also commissioned an internal investigation of the scandal, which discovered other abuses.

In interviews with the district attorney's office, Day, Herman and Blomquist all denied knowingly violating any law. They are expected to appear in court for a bail hearing next week.

District Attorney Kamala Harris said Day had violated the public's trust.

"This person, who held a position of trust, used public funds to create a personal expense account," she told The Chronicle. "That flies in the face of everything that should happen when people are charged with managing and directing public resources."

Day became chancellor in 1998 and began a bold expansion of the 110,000-student community college. To pay for new buildings, the college sponsored two multimillion-dollar bond measures. And to win voter approval, the complaint says Day spent taxpayers' money on political campaigns.

PepsiCo payment

In 2001, the college trustees asked city voters to approve a \$195 million education bond. For that campaign, Day told Herman to have the PepsiCo beverage company, which had an exclusive contract to sell soft drinks on campus, make a scheduled \$50,000 payment not to the college, but to the bond campaign. The bond passed.

Similar abuses occurred in the 2005 campaign for the \$246.3 million bond, the complaint says. In one case, Day and Herman told the owner of a company called the Bean Scene, which operates a college coffee bar, to make a \$20,000 lease payment, not to the college but to the bond measure's political committee. Some of the money was spent on electioneering, but Day later ordered the donation refunded, college records show.

Later in 2005, Blomquist allegedly told the operator of a motorcycle driving school who leased a college parking lot to pay \$10,000 not to the college, but to the political committee.

Another abuse occurred the following year, when Day reportedly promised to raise \$35,000 for Proposition 1D, a successful \$10.4 billion state education bond measure. Day decided the donations should come from the college's foundation, established to raise money for college programs. To help finance the donations, Day and Herman obtained \$28,000 owed to the college by PepsiCo and funneled it to the foundation, according to the complaint.

Finally, Day was charged with abusing public funds in connection with a secret "chancellor's discretionary fund" he set up at the foundation in 1999. Unbeknownst to the trustees, Day got the money for the fund by diverting \$10,000 owed to the college by Pacific Bell on a contract to operate pay phones on campus, and \$25,000 owed by PepsiCo, the complaint says. Of that PepsiCo money, \$15,000 went to the slush fund, according to the complaint, and \$10,000 remained with the foundation.

Alleged political donation

In 1999, Day donated \$500 from the secret fund to then-state Assemblywoman Sarah Reyes, D-Fresno, who at the time was leading an effort to boost state funding for community colleges, according to news accounts. He also tapped the fund when alumni got parking tickets on campus, when he needed to buy alcohol for parties and to pay his City Club dues, an aide told the district attorney's investigators.

Day resigned in 2008 to become head of the National Association of Student Financial Aid Administrators. He was succeeded by longtime Vice Chancellor Don Griffin.

Freelance writer Stephanie Rice contributed to this report.

Short-term cuts, long-term worry

The Daily Breeze/Editorial

Posted: 07/20/2009 06:54:58 PM PDT

From the San Jose Mercury News

Notwithstanding justifiable grumbling and, for some middle-class families, true financial hardship, most students at California's public colleges and universities will manage to cope with higher costs and inconvenience this year.

But all Californians should be worried about the long-term implications of budget cuts. The state will bear a heavy price for rationing and retreating from a commitment to higher education.

The Public Policy Institute of California has projected a shortage of a million college graduates by 2025 to fill jobs in California requiring at least a bachelor's degree. Not only is the dropout rate too high, but California ranks near the bottom, among large states, in the percentage of high school graduates who go on to college -

56 percent, compared with 74 percent in New York.

Meeting that need would require that California immediately award 60,000 more undergraduate degrees a year. Instead, over the next two years, the California State University system alone will reduce enrollment by 40,000 students, largely by denying admission in the spring semester, when community college graduates normally would enroll.

In a rational system, enrollment cuts at the University of California and CSU levels would be balanced by increased funding for community colleges, where students could take less expensive courses before transferring. Instead, over the past two years, the state has cut equivalent funding of a quarter-million students at community colleges.

The budget that Gov. Arnold Schwarzenegger and legislative leaders have wrangled over will cut \$2 billion for community colleges and four-year universities on top of cuts last year. If this were a two-year problem, the institutions could still emerge relatively unscathed. But the long-term outlook is equally bleak. And the economy alone isn't to blame; it's a matter of priorities. In 1980, 17 percent of the state budget went to higher education. By 2007, that had fallen to 10 percent - the same as prisons and parole.

Chancellors of both the UC and CSU systems are proposing employee furloughs, 11 to 26 days on UC campuses, to cover about a quarter of the cuts, though it's not clear how they'd work. We hope instructors would take nonteaching days off. Otherwise, students will be furious that they're paying more for fewer sections and larger classes.

UC students will pay 10 percent higher tuition in the fall - \$8,264 - while average CSU fees will rise to \$4,827, a 32 percent increase. It's still well below the national average for state schools,

and increases in Pell Grants and state aid should cover higher fees for families earning under \$75,000. But for middle-class families, it's a lot to ask all at once.

Community college fees will also rise

30 percent, to \$26 per credit. But that's a different story. Low-income students have fees waived, and higher federal tax credits will offset increases for families earning up to \$160,000. To leverage federal aid and bring in dollars to a underfunded system, the Legislative Analyst's Office argues community college fees should be higher.

We agree. In the case of community colleges, the governor and Legislature need the courage to raise fees so they can strengthen the system.

Why Harvard's Top Administrators Should Take a Pay Cut

wordpress.com

Posted by Joshua Eaton

Toward the end of last month Harvard University's President Drew Faust announced the layoff of 275 Harvard staff and a significant cut in hours for 40 more. She described these measures as "modest..., but nonetheless painful," and she called the decision "among the hardest that an institution like ours can make."

So why is President Faust still so rich?

When my mother spanked me as a child she would start by saying that it hurt her more than it hurt me. I was always skeptical. President Faust's platitudes about Harvard's "modest...but painful" layoffs have the same empty ring. If she really means them, she and her top administrators should take voluntary pay cuts.

On 18 May 2009, *The Harvard Crimson* reported that Faust made \$775,043 in total compensation during her first year as Harvard's president. Harvard's top administrators made more than \$4 million overall. When I look at those numbers a lot of adjectives come to mind. Modest isn't one of them.

To be fair, President Faust's compensation is low when compared with the presidents of other top universities. Vanderbilt's President E. Gordon Gee earned \$1.17 million between 2004 and 2005 alone. Still, two wrongs never did make a right. If anything, President Faust has an opportunity to exercise real leadership among her peers by personally shouldering some of Harvard's budget deficit.

Questioned about why Harvard's top administrators haven't taken voluntary pay cuts, University Provost Steven Hyman said he "worries about faculty salary cuts, because what we want to do is retain our very best faculty."

Sound familiar? It's the exact same excuse used by AIG last March when its top executives received \$218 million in "retention bonuses" at the same time they were accepting bailout after bailout of taxpayer money.

Perhaps realizing how well that explanation worked for AIG, the dean of Harvard's Faculty of Arts and Sciences, Michael Smith, took a different approach. "Just cutting a few administrator salaries," he explained, won't fix Harvard's budget woes.

He has a point. Even if they decided to go without pay altogether—they won't—Harvard's administration still couldn't make up the budget gap closed by layoffs. But they might be able to save five, or twenty, or even a hundred jobs. To a parent wondering how they'll make rent next month that's a lot more than just a few administrator salaries.

More importantly, voluntary pay cuts would show the sort of empathy, leadership, and yes, modesty that have been so lacking in the Harvard administration's response to the economic crises. They would show that all of Harvard's high-minded rhetoric and liberal ideals are more than just hollow words. In short, they would show that we really are different from AIG.

Other universities have already set a precedence. Stanford's President John Hennessy and his top administrators announced last December that they'll be taking a 10 percent pay cut. In March, President Thomas Fallo of El Camino College declined a \$36 thousand raise, and last November President James Drake of Brevard Community College used his \$100 thousand raise to start a text books scholarship fund for students. Surely Harvard is not to be outdone.

By taking voluntary pay cuts Harvard's administration could show their leadership and magnanimity, raise employee morale in the wake of a panic-inducing layoff process, and save at least some low-income staff positions. Surely they can make due with just a couple of million dollars among them.

Growing up, I saw my mom take a second job to make ends meet and my retired grandmother take the bus to work at Walmart so I could have school clothes. Then, when I was in high school, my mom almost got laid off from clerical job at the University of Georgia. Months went by before she knew if she'd have a job the next year. Thankfully she was spared; if she hadn't been, I wouldn't be at Harvard today.

My family constantly went without so that I wouldn't have to. Whenever I thank my mom today she just shrugs and says, "That's my job." If they really mean what they say about Harvard being a community then Drew Faust and her top administrators need to cut their own compensation. It isn't just the modest thing to do, or the empathetic thing to do, or even the realpolitik thing to do. It's their job.

No Vacancy InsideHigherEd.com

July 21, 2009

At American River College, in Sacramento, desperate times are calling for desperate measures.

Like so many community colleges in California, all reeling from \$825 million in state budget cuts, American River simply does not have enough classroom space to accommodate all of its students. Last month, for example, estimates noted that almost 250,000 students statewide would be kept from community colleges due to dwindling space.

(A tentative budget deal in the state was reached Monday night between the governor and legislative leaders. The deal relies on budget cuts, not tax increases, to close the budget gaps, suggesting that deep cuts to higher education will not go away, and the *Los Angeles Times* reported that passage is not assured.)

The crunch has been especially noticeable in general education courses required for graduation or transfer to a four-year institution, such as introductory English composition and college mathematics. Students nearing graduation who have put off these courses now jockey for position against an influx of first-time students who fear that if they do not take them now they will never get the chance to finish on time and within their budget.

As a result of unprecedented student demand and a dwindling state budget, small classes have become a thing of the past. Sections at American River with fewer than 22 students have been eliminated, and professors are expected to pack as many students into their classes as the building's fire code will allow.

"On the first day of Algebra, I started out with about 56 students in one class," said Tony Barcellos, mathematics professor at American River, of one of his summer courses. "About half dozen or so of those are walk-ins. It can get quite dramatic. As some of my colleagues and I have told students, if they're not on the waitlist, then there's really nothing I can do. We try to have about 42 desks in each class, and we generally enroll 36 students originally, so I can add 6 more from the list on the first day. After we run out of desks, we've resorted to using folding chairs until we reach capacity."

And it isn't just the basic mathematics courses. Nancy Reitz, mathematics department chair at American River, noted with some surprise that her calculus and other upper-level courses were just as affected. She said that physical science and engineering majors from nearby University of California and California State University campuses are enrolling in these community colleges courses to beef up their transcripts amid similar cuts at their institutions.

"The impact of this is that we're essentially cutting courses that would have filled up anyway," Reitz said.

This summer's cross-pollination of four-year students taking major-related courses at nearby community colleges comes following an announcement from California State that its campuses will not be accepting transfers for the spring semester of 2010. University of California campuses are also expected to significantly reduce transfer opportunities for the upcoming academic year. The news has made students at American River, bent on transferring to nearby four-year institutions, nervous.

“Sacramento State, right here in the capital and one of the universities we send most of our students to, is planning not to accept students in the spring,” Barcellos said. “In some instances, students will decide to spend another semester or year here soaking up more credits, but they’re hearing things about higher fees and lower admission. They’re becoming angst-ridden potential transfers. It’s a matter of having them reconsider their options. I’m telling them, ‘If you had your heart set on Sac State, you might want to consider looking elsewhere in the state.’”

Still, Barcellos is quick to acknowledge that this might not always be an option for his students, who are often aiming to attend college near home out of financial necessity. He noted that financial issues come up on a daily basis now for his students.

“One of the things I’m noticing is that, more and more, students are absent for more emergencies than was common in the past,” Barcellos said. “For example, they’ve lost their housing and have to move from where they are or they’re having troubles with their vehicle. These are actual emergencies, like ‘My car broke down’ or ‘We’ve been foreclosed and I have to move my family,’ not ‘I don’t feel like going to school.’”

Students are not the only ones feeling the pinch at American River. Adjunct faculty members, like their students, are scrambling to find classes for themselves.

“When I was canceling classes for the fall, I asked who would be willing to get along without one less class and not feel a severe financial impact,” Reitz said. “We have some adjuncts that are retired and are just doing this to earn more money, but we have others who have more obligations. For example, several faculty members have told me that their adult children have lost their jobs, have moved back in with them and need help paying off their student loans. Also, some said they need to be at a certain percentage because their husband has lost his job and they need to maintain the medical insurance. The uncertainty of not knowing when the cuts will end is very pervasive, and it does affect the way a person works.”

As a full-time faculty member, Barcellos said he has not felt the stress of the recent cuts as much as his adjunct colleagues. Still, he said the overall atmosphere is affecting everyone’s work ethic.

“It’s raised the level of anxiety in the classroom,” Barcellos said. “There are performance deficiencies that come from tensions and insecurity. And while we can try to ameliorate that to some degree, it does hang over our heads.”

Dwindling Options

Further south in San Diego, at Miramar College, there is another kind of overcrowding issue. Academic counselors, responsible for helping students survey the uncertain terrain of cut courses, are becoming harder to see.

“We had a number of staff cuts,” said Rick Cassar, academic counselor at Miramar. “Typically, we each saw seven to eight students a day in one-hour sessions. Now, there is such a demand from students that everything is on a walk-in basis. It’s kind of like the DMV. I’m seeing about 30 students a day. Recently, I even saw 54 students in one day, each in short ten-minute appointments. Morale is down in our office, and people are feeling burnt out.”

Despite the short appointments and the dire straits in which he finds his students, Cassar said he has to project optimism about the current situation.

“There’s a lot of despair out there,” Cassar said. “You have no money. You can’t get into classes to graduate. And even if you could get into classes to graduate, you might not be able to find a job. I don’t know what the Great Depression in ’29 was like, but from what I hear from my grandparents, it sounds a lot like what’s going on now. It’s my job to be a cheerleader and keep people upbeat and tell them we’ll get them into classes on time. If we can’t maintain a positive attitude and our morale drops, then we’re screwed.”

Chief among the worries of Cassar’s students is transferability. He said he has encountered a number of reverse transfers from various private institutions throughout the country, or California natives coming home, who have enrolled at his community college in hopes of later transferring into a UC or Cal State. Against many students’ wishes, he said he is advising them to stay at the community college for as long as possible to guarantee admission to the state public universities, many of whom have cut down on transfers.

Still, Cassar worries about the long-term impact of these cuts on California’s three-tier system.

“When the UCs and Cal States make cuts, then more and more people are seeing the community colleges as an option,” Cassar said. “More high school students who would have been eligible for them are looking at us first. We’ll be impacted with more qualified students up front than we are now.”

The concern of the moment, however, is the plight of California’s community college students, many of whom may find themselves trapped without the classes they need to graduate or unable to transfer onward to earn a bachelor’s degree.

Maria Velasquez, a 35-year-old single mother of two attending Miramar, said she has had a number of classes she needed for graduation canceled at the last minute. Still, she notes her largest concern is financial.

“I’ve been receiving help from welfare to pay for my books and supplies for school,” said Velasquez, also noting that her welfare is also used to subsidize other college costs like tuition until she gets reimbursed by her late-arriving financial aid checks. “But, they’re saying that we

may receive IOUs next months. It's put pressure of me because if I have to pay my own way, I'll have to stop everything to get a job to help pay for housing. It's my concern that they might issue these IOUs and then I might not be able to get help from anywhere."

Cathy Rochas, a 23 year-old single mother of one attending San Diego City College, is doing whatever she can to graduate amid the class cuts.

"I've been going to a different college, Southwestern [College] about 30 minutes away, to get the classes I've been looking for," Rochas said. "Some of my friends are even going to three and four colleges. It's pretty hard here."

If she is unable to transfer to a Cal State campus, as she has planned, she said she is thinking about joining the military. At the moment, however, she is just trying to balance work and college to ultimately find a better way to support her seven year-old son -- and the child she has on the way.

"People who register for classes are coming in really upset," said Rochas, who also works for the local office of CalWORKS, a program which offers services to students receiving welfare. "It's been getting worse and worse for them to find space."

Articles last week explored the impact of California's financial mess on the University of California and California State University systems.

— **David Moltz**

Pierce College president announces resignation

The Daily News

By Dana Bartholomew, Staff Writer

Updated: 07/20/2009 06:30:37 PM PDT

WOODLAND HILLS - The Pierce College president who has boosted faculty, bolstered attendance and led a \$200 million campus makeover announced Monday he will step down to care for his ailing adult son.

In an emotional resignation, President Robert Garber said he would leave Aug. 1 after serving the award-winning community college for 23 years.

"All of these things - the awards, the building, the enrollment, it's never been about me," said Garber, 61, his voice breaking. "It's about the whole college community."

"It's been an amazing experience - and I leave extremely reluctantly. But the circumstances in my life and in my family trump anything that goes on in this work."

Garber, who was hired in February 2006 to replace Thomas Oliver as president, has been credited with fundamentally transforming the Woodland Hills campus.

Under his watch, Pierce College embarked on a voter-initiated capital improvement program that included a new child development center, student services and science buildings.

He also supervised the construction of new faculty offices, a campus mall, roadway and parking improvements and a state-of-the-art heating and cooling system.

In addition, Garber hired two vice presidents and 80 full-time faculty members while keeping Pierce College in the black as other community colleges struggled to balance their budgets.

The result: college attendance increased 41 percent, from 17,000 to 24,000 full-time students.

"It's like changing a flat tire while driving down the street," Garber said. "It's been an interesting challenge. I've thoroughly loved (it)."

College administrators and business leaders were shocked to learn of his departure. No replacement has been named.

"We're all quite stunned," said Doreen Clay, marketing manager for Pierce College. "We had no warning. It came out of the cornfield."

In a letter to the Pierce College Community, Garber

[Read Garber's resignation letter](#)

said that his 23-year-old son Jesse had been diagnosed with acute liver failure stemming from a reaction to prescription medication for an unnamed illness.

He said his son, on the waiting list for a liver transplant, needs full-time care and monitoring throughout his recovery.

"Given the daily demands and unknown duration of his care and treatment, it has become clear that I can't possibly support Jesse and, at the same time, maintain the level of engagement that is necessary for me to serve Pierce as president," Garber wrote.

"It has been the highlight of my career to serve as Pierce's president for the past 3 1/2 years, and I am truly distraught about leaving at this point in this way."

Garber, a native of Seattle, began at Pierce College in 1976 as a student counselor and rose to dean of student services. In 1996, he left to serve as an administrator at San Diego Miramar College before returning to Pierce as president in 2005.

On his first day at Pierce College, he witnessed students giving artificial insemination to cows. Nearly a decade later, he rode an elephant across campus.

In what could be a career motto, he said: "It's definitely better to be part of the solution, than part of the problem."

Under Garber's tenure, Pierce College received lifetime service awards from the Valley Industry & Commerce Association and the Economic Alliance of the San Fernando Valley.

"He loves Pierce College and has worked hard for the community, to transform that college into a shining beacon of education and green technology," said VICA President Stuart Waldman. "It's a tragic loss."

"Really really really heartbroken to see him leave," added Bruce Ackerman, president and CEO of the alliance. "He was doing such a fantastic job for Pierce."

"My heart goes out to him. I can't believe what he's going through personally. Tough one. Really tough."

Choosing community college means some homework

LA Times

Kathy M. Kristof

At a time when parental pocketbooks are strained, does it make sense to point high schoolers toward community colleges instead of four-year schools?

President Obama's plan to invigorate community colleges with a fresh dose of federal spending is winning accolades from pundits who have long maintained that the institutions are the unsung heroes of an affordable education.

Tuition at community colleges is about a tenth of the \$25,000 charged by the average private university, according to a survey by CollegeBoard.

And kids who do a so-called two-plus-two -- two years at a community college and two years at a four-year university -- can often transfer into prestigious institutions they might not have gotten into when they were high school seniors.

But there are downsides to community college education as well.

Community college students are less likely to complete their degrees than those who attend four-year institutions. And navigating the system of credits needed to transfer -- and graduate -- can be difficult.

Education Sector, a Washington, D.C., think tank, estimated that only about 14% of students who start in Northern Virginia community colleges transfer to another university.

"You can go two years to a community college for the cost of one course at a four-year university," said Don Silver, author of the "Community College Transfer Guide." "What is overlooked is how complex it can be."

Too often, students who go to community college take the wrong courses and find out later that these class credits aren't transferable, he said. That can cause them to get discouraged and never graduate.

Those who do graduate often take a year or two more than those who went directly to a four-year university, Silver said.

If you figure that those extra two years in school cost the student two years of working, the touted savings of going the community college route can quickly evaporate.

That said, if you're organized, you can navigate the system to graduate on time and for a fraction of the cost of going to a four-year school directly, Silver said. Here's what you need to do.

First, consider your goal. There are two reasons you'd want to attend a community college, said Terry Hartle, senior vice president of the American Council on Education in Washington. One is because you aim to learn a trade. The other is to use the community college as a launching point for a four-year degree.

Pick your college based on what you most want to do.

Investigate by talking to your target. If you want to get a nursing degree, for example, and hope to work at a children's hospital someday, ask the hospital's human resources department whether it is more likely to hire from particular schools. If you aim to go to a four-year university -- and know which one -- talk to its admissions office staff members about which community colleges most impress them.

Many community colleges have formal written agreements that give their students admission preferences -- sometimes even admission guarantees -- at a set group of four-year universities. See whether the community college you're planning to attend has an agreement with your target school or with others that you like. (Community colleges typically post these agreements on their websites.)

Be sure to read the agreements. They'll say what sort of grade point average is required and what classes can be transferred for four-year credit. Also realize that your academic major may affect what classes will fulfill graduation requirements, Silver said. If you know what you want to study, seek detailed information from your community college counselor and, ideally, from counselors at the college you hope to attend.

If you're not sure what you want to study, get into a counseling office to inquire about all-purpose classes that are required (and transferable) whether you go for a two-year degree or a four-year degree, Hartle suggested.

Certain basic English, history and math classes are required for almost everything. If you take those in your first year while you're still trying to figure out your goals, you're less likely to waste time on courses that won't count for your eventual degree. It's also important to make sure you get the classes you need. In an era of tight budgets, classes are likely to fill up and close early. Get in, get registered or risk not getting the courses you want.

If you are unable to get a class that you need, don't give up. Show up on the first day anyway and ask the professor to add you in. Sometimes professors will accept a few extra students, or let you hang around to see if anyone drops out.

"Community colleges are an extraordinary value but a big secret in American higher education," Hartle said. "Many people do not think of them when making college decisions, but they are very available, very affordable and are the most flexible of all higher-education institutions."

Community College: The Sitcom

The Wall Street Journal

July 27, 2009, 5:00 AM ET

By David Wessel

First it was President Barack Obama offering \$12 billion over 10 years to supercharge America's community colleges, and now — an NBC sitcom. "Community" premieres on Thursday, Sept. 17, from directors Joe and Anthony Russo (of Arrested Development fame.)

The gist, according to NBC: "It's been said that community college is a "halfway school" for losers, a self esteem workshop for newly divorced housewives, and a place where old people go to keep their minds active as they circle the drain of eternity. Well, at Greendale Community College...that's all true. Community focuses on a band of misfits, at the center of which is a fast-talkin' lawyer whose degree has been revoked (Joel McHale, The Soup). They form a study group and, in "Breakfast Club" fashion, end up learning a lot more about themselves than they do about their course work."

For the serious-minded, the American Association of Community Colleges says it'll initiate a blog on its Web site prior to the launch to provide a place for commentary.

Do You Know a High-Achieving Student Kept From College Because of Money?

The Washington Post

By Jay Mathews

Monday, July 27, 2009

I try to stay away from the New York Review of Books. It is a trap for aimless readers like me. I may enjoy a piece on the last Khan of Mongolia. But that makes me want to sample a letter about derivatives or a review of what Titian thought of Tintoretto. Pretty soon it's bedtime and I have forgotten to do important stuff like talk to my wife and watch "The Closer" on TNT.

Yet I couldn't resist a piece in the May 14 issue by Columbia University humanities professor Andrew Delbanco about the sorry state of American higher education. In most respects, it was a splendid analysis of what ails our universities: bad investments, recession, elitism, etc. But on one crucial point he lost me. That was his conclusion that "a great many gifted and motivated young people are excluded from college for no other reason than their ability to pay, and we have failed seriously to confront the problem."

I noticed he did not identify even one person to whom this had happened. Like many writers in the review, Delbanco was observing from the scholarly heights. His was a wide-angle view, full of national statistics and global analysis. That was one of the pleasures of reading the piece, to see all these issues in historical and social context.

What troubled me as I read his conclusion was this thought: In 27 years of reporting on urban high schools, the sort of places where you would most likely encounter gifted and motivated kids denied a chance at higher education because of money, I have never found a single student who fit that description.

If I had, it would have been a great story. An impoverished student with an A average who could find no way into college would have grabbed my editors' attention. Letters of indignation at our society's failings would have flooded the editorial page. Big checks and offers of scholarships would have poured in from businesses and colleges to ensure that this student realized his dream.

Maybe I am not nearly as good a reporter as I think I am. Maybe I just missed those stories. At the end of this column, I will ask your help in testing that thesis. For the moment, however, let's put aside my inadequacies and consider what I *have* observed, many times, that is keeping *potentially* gifted and motivated young people out of college. It has little to do with their ability to pay.

Delbanco's conclusion rests on data from the 2002 "Empty Promises" report by the federal Advisory Committee on Student Financial Assistance. The study authors estimated that more than 160,000 students with annual family incomes below \$50,000 were qualified for college admission but did not attend even a two-year community college because of financial barriers.

The report didn't identify any of those students either, and its data don't make Delbanco's case. The report's definition of college-qualified -- a 2.7 grade point average or an 820 combined math and verbal score on the SAT -- did not match Delbanco's portrait of gifted and motivated applicants.

I am convinced that the problem is not colleges putting up too many financial obstacles in the way of bright kids, but public school systems failing to give our many potentially successful high schoolers -- and their elementary and middle school siblings -- the academic skills and working habits they need to be ready for college.

Average reading and math achievement for 17-year-olds is like my patience with traffic jams: It has not noticeably improved in the past 30 years. Low-income students with good brains continue to perform poorly in large part, I think, because they attend high schools run by people who don't believe such kids can learn very much and who don't try very hard to teach them. Educators who do believe in their potential find it difficult to get the resources they need because too many policymakers, politicians, voters and taxpayers do not share that optimism.

When the poor but gifted and motivated students Delbanco describes materialize, they are treated like 6-11 power forwards looking for athletic scholarships. College recruiters underline their names. High school teachers load them up with awards. Counselors decide which of many interested colleges might be best for them. I can name scores of Washington area educators, and organizations like the DC College Access Program, who make sure students like that are not overlooked.

Staying in college is still a challenge for them, but at the moment we are assessing the notion that they can't go at all. Even in the worst of circumstances, their teachers and counselors find community colleges for them and help them stay on track to a four-year college. Doing anything less, given the rarity of such students, would be inconceivable to the educators I know.

But maybe I'm wrong. Maybe, as Delbanco says, we are ignoring many accomplished but poverty-stricken young scholars. Help me test that theory. My e-mail address is at the bottom. Send me the name and contacts of any gifted and motivated students you know who have been unable to go to college because of money. If their stories check out, I will confess my ignorance, tell why this happened to them and help them get where they want to go.

San Jose City College drops plans for baseball field

MercuryNews.com

By Sandra Gonzales

Posted: 07/26/2009 12:59:00 AM PDT

They're towering, thick, metal poles that stand 90 feet tall and ring the outskirts of a halfway built baseball field at San Jose City College. And, to most of the surrounding neighborhood, downright ghastly. So trustees called it a game and stopped construction of the field altogether.

No matter that it was more than 60 percent complete and the San Jose/Evergreen Community College District had already sunk \$2 million into the field, trustees last week unanimously voted to convert it to a multipurpose site for apparently more aesthetically appealing and neighbor-friendly sports, such as cricket or soccer.

And, so the Jaguars baseball team will continue to be a team without a home, shuffling from one rented playing field to another.

"The past nine years have been pretty tough, not having a home playing field," said Doug Robb, the college's head baseball coach for the past 15 years. Not to mention the difficulty it creates in attracting top-notch players. "I feel like I've lost players already in the recruiting season."

San Jose City College began construction in late 2007 on the long anticipated baseball field using a combination of bond funds, approved by voters in 1998 and 2004. All appeared to be going smoothly, until those huge poles intended to hold safety netting went up last summer, prompting neighbors to cry foul.

"I just cringe whenever I look out the window, it's such a day-to-day intrusion," said Randi Kinman, president of the Sherman Oaks Neighborhood Association, who lives a block from the field. "The effect of those poles is the effect of being in a cage when you're sitting in your backyard. It's a visual blight."

Kinman said neighbors were left in the dark about what the field would ultimately look like, and no mention was made early on of the poles or the loudspeaker system that they feared would be far too noisy.

Vice Chancellor Jeanine Hawk insists it wasn't intentional. In fact, the original plan called for the baseball field to be in the center of the campus. "There wasn't any intention to hide anything, it was just a failure of communication," she said.

After the field struck out with neighbors, construction was stopped last summer and a supplemental environmental impact report was initiated. Though still in the draft stages, the initial findings more or less sided with the neighbors, concluding that little could be done to lessen the unappealing aspects of the field.

"This is not something where we are out to get the student-athletes, we are not anti-baseball," Kinman said. "This was a tragic mistake." Initially, the college offered to make the field more appealing to the eye and proposed painting the black poles sky blue or silver and changing the black netting to a lighter color, but soon realized that wouldn't solve the problem.

So at a cost of \$250,000, down will come the poles and the wooden fence lining the field, which has been in limbo for a year.

San Jose City College President Michael Burke hedges on whether any blunders were made, conceding only, "We did not anticipate that the neighborhood would object so strenuously. Once we became aware of their objections, we stopped the project and initiated a supplemental environmental report."

Hawk maintains the money spent on the field is not a waste. "We are still going to use all the prep work. We are still putting in a playing field, it will just be a different configuration, those aren't sunken costs."

At one time, the Jaguars had their own playing field in the northeast corner of the campus. But that was cleared nearly a decade ago to make way for a parking garage and student center with the promise that the team would one day again have its own field.

Robb, meanwhile, is now scrambling for alternative off-site playing fields, which cost \$10,000 to \$20,000 a year to lease. He's also looking for long-term solutions because one thing's almost certain: If the team's going to have a permanent home field, it's unlikely to be on campus. Until last year, the college had a contract with the San Jose PAL Stadium, where it had been playing steadily for the past several years, Robb said. But the contract was not renewed because they figured the baseball field was going to be ready. So the team was forced to play at three different sites this past year, and it appears it'll be doing the same this coming year.

"It's unfortunate for myself and my team that we have to endure another year or two having to play on the road and look for practice fields, but the sun will come up tomorrow and the players will continue to play," he said. "It hurts, but I understand it's important for the district to do this."

One option being considered is moving the baseball program to Evergreen Valley College. However, it would cost \$4 million to build a baseball park and even more to operate it. Funds for such a project would still have to be identified — a daunting challenge in the current budget climate.

Still, Burke said the college is committed to finding the team a home. "I want to have a baseball team, and I intend to have the Jaguars baseball team."

For now, Kinman and her neighbor's are elated that the huge poles will finally be coming down.

"Taking that away is going to be just a huge relief, not only a visual relief, but knowing that we actually had a conversation with the campus and they listened."

Basic College Skills Right on CUE

USC News

By Andrea Bennett on July 27, 2009 2:14 PM

For some community college students, the gap between what they learned in high school and what they need to know to succeed in college credit courses is a vast one.

It is estimated that about 90 percent of incoming California Community College students are not prepared to succeed in degree-credit courses and require basic skills coursework to earn a college degree. Evidence shows very few of these students reach that goal.

The state-funded Basic Skills Initiative, which began in 2006, was a response to this situation. It provides community colleges with the support to assess their basic skills education and English as a second language instruction needs; provide faculty and staff professional development; and implement needed change to their programs.

One California Community College district enlisted the expertise of the Center for Urban Education (CUE), based at the USC Rossier School of Education, to help it maximize the impact of its Basic Skills Initiative dollars.

Through the revolutionary Center for Urban Education Equity Model, the San José/Evergreen Community College District has been working to identify and lift institutional barriers to racial-ethnic equity within its large basic skills student population.

This month, the Center for Urban Education wrapped up the first phase of its work to advance equity in basic skills education at the San José/Evergreen Community College District. The model employed toward this goal is unique in that it combined the center's renowned equity scorecard method of data inquiry with its acclaimed benchmarking process, which involves the analysis of institutional practices and benchmark goal setting.

Community colleges across the state and institutions around the country have used the equity scorecard's process of examining and reflecting on the meaning of quantitative data to document racial-ethnic inequities in their student outcomes. The benchmarking process was developed to analyze and act on those problems revealed through the data inquiry. This process helps institutions figure out what is causing the disparities and how to make changes to address them.

The resulting Center for Urban Education Equity Model was first embraced by the San José/Evergreen district in the spring of 2008.

It took courage for the district to challenge itself in such a way and admit change was needed, said Rosa G. Perez, chancellor of the San José/Evergreen Community College District.

"To begin to resolve the issues surrounding why students of color are less successful in our institutions, we must all share the courage and conviction that as institutions we are charged with

the responsibility of questioning institutional assumptions and practices that may hamper student successes,” Perez said.

Center for Urban Education staff was invited to train staff, faculty and administrators at San José City College and Evergreen Valley College to use institutional data to investigate institutional attitudes, beliefs and practices that contribute to inequitable outcomes for students on their campuses.

With the direction and support of Center for Urban Education staff, led by team facilitator Elsa Macias, evidence teams at each college assessed their own institutions and students, identified critical intervention points and set measurable goals to eliminate those gaps in performance among students in basic skills courses.

Reports on the progress may come as early as next month. The next phase of the project will involve implementing the changes needed and assessing the results of those changes.

Columbia College cancels community education classes **calaverasenterprise.com**

By Joel Metzger

Posted: Monday, July 27, 2009 10:22 AM CDT

All community education courses offered by Columbia College have been canceled for the fall semester due to decreased participation and budget shortfalls.

“For now, the Community Education Program at Columbia College will be put on hold,” said Doug Lau, marketing and public relations officer for the school. “All community education classes, bus trips and vacations are canceled while the college develops plans for better implementation and more community utilization of this fee-funded program.”

“We just don’t have the resources needed to maintain the program at this time,” said Dr. Dennis Gervin, Columbia’s vice president for student learning. “The tight economy has probably had an effect on our class enrollments, which have been lower than usual over this past year. Registration fees that students have paid for any are now in the process of being returned.” Community education classes focus on a variety of subjects, including arts and crafts, career development, computers, finance and investing, fitness, well-being and recreation, food and wine, foreign language, home and garden, potpourri and travel.

Gervin, who has been with the Yosemite Community College District for 15 years and worked for Columbia College for five years, said that current plans are for the program to be re-introduced as the state budget and local economy improve, and he is hopeful that limited offerings might be phased in for the fall 2010 semester.

“We regret that this longstanding community service had to be discontinued, and apologize for any inconvenience that this may cause. We will bring it back, but it is difficult to know when we will have the needed resources to do it right.

“Community education is supposed to be self-supportive. It’s supposed to generate, through fees people pay, enough to keep the program going. We haven’t been able to do that over the past few years.”

He said that the program has struggled in garnering adequate community involvement to be self-sufficient, as designed.

“The timing in a lot of ways hasn’t helped the program,” Gervin said. “Having a decline in state funding has affected our ability in general to hire staff. But the program itself has the potential to operate through an economic crisis like this.”

In order to improve upon the program when the classes are offered once again, Gervin said that the college developed a survey that will be made available to the public.

“We want to work with the community to find out what they are looking for,” Gervin said. “We

raised our fees, and that probably didn't help our enrollment. We want to know whether we are offering classes at the appropriate times and what classes people are most interested in. We have struggled to find out what the community is really wanting."

Gervin indicated that hiring freezes resulting from the state budget crisis have impaired the college's ability to make critical hires, adding to the combination of factors that led to the cancellation of the community education classes.

He made it clear that the classes and programs would be back at the earliest possible opportunity, and are simply in a state of hibernation.

"At this point, I'm targeting next fall and entertaining the possibility of offering limited classes in the spring," Gervin said. "It's hard to say what things will look like in a year. It's possible that the budget could even be worse."

"I'm very committed to bringing this back," Gervin said. "I have no plans to leave the college or the community. If community members are frustrated or disappointed, we want to know. Hopefully they can turn their frustration into action to improve the future of community education programs."

Inquiries regarding the Community Education Program at Columbia College should be directed to Gervin's office at 588-5107.

Harford college to accelerate nursing studies

Baltimore Breaking News

A \$1.2 million grant will help Harford Community College expand its nursing program to include an accelerated 15-month course that offers evening, weekend and online classes. The 15-month course could prepare as many as 88 nurses by 2014 in less time than the college's traditional two-year program.

The Health Services Review Cost Commission, an association of area hospitals, provided the grant to address the critical nursing shortage.

Interim Pierce College leader to be chosen Wednesday

DailyNews.com

Dana Bartholomew, Staff writer

Updated: 07/27/2009 07:49:46 PM PDT

An interim chief for Pierce College will likely be chosen Wednesday by Los Angeles Community College District trustees, who will vote on a candidate recommended by outgoing President Robert Garber, officials said Monday.

Garber announced last week that he is resigning Aug. 1 to care for his ailing son, Jesse.

Community college officials declined Monday to identify prospective candidates. A decision is expected to be announced during a trustees' meeting Wednesday afternoon.

"It's a very hard one to predict, at this point in time," said Adriana Barrera, acting chancellor for the nine-campus district. "My sense is that the board will take Mr. Garber's recommendation.

"I certainly appreciate the fact Mr. Garber has the best interest of Pierce College in mind. His heart is in Pierce College."

The interim president will run the 24,000-student campus while a committee conducts a nationwide search for permanent successor.

Garber has worked 23 years at Pierce, the last three as president. He has been credited with leading a \$200 million building program, hiring 80 new instructors and boosting enrollment by 40 percent.