The News-Gazette
April 13, 2011

FEDERAL COURT

UI files motion in records case

School seeking stay on ruling until matter is reviewed by appellate panel

By PAUL WOOD
pwood@news-gazette.com

CHICAGO — The University of Illinois asked for a stay Tuesday on a federal court ruling that it contends would threaten the privacy of student records.

The UI also said a March 9 order by Judge Joan B. Gottschall could result in the loss of millions of dollars in federal funds the UI receives every year.

UI attorneys filed a motion in U.S. District Court requesting a stay of the order, which requires the UI to provide student records sought by the Chicago Tribune and The News-Gazette in an Illinois Freedom of Information Act request.

The motion seeks a stay of Gottschall's order pending the outcome of a review by a three-judge appellate panel.

The Tribune filed the lawsuit after a 2009 Freedom of Information request forced the release of 1,800 pages of documents, known as "Category I" student information. The News-Gazette is not part of the lawsuit.

The UI complied in part with the FOIA request, but blacked out student names and other information, arguing that federal law prevented it from revealing that data. The Family Educational Rights and Privacy Act of 1974 is intended to protect the privacy of student records.

But Gottschall ruled that FERPA does not require that applicants' names, grade point averages and admissions test scores be withheld.

"The only question presented by this lawsuit is whether FERPA 'specifically prohibits' the requested disclosure. The court must follow the command of the Illinois Supreme Court to construe the exemptions to FOIA narrowly. FERPA does not specifically prohibit Illinois from doing anything, so the university may not use federal law

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as authority to withhold the records," Gottschall wrote.

The UI argues that the Department of Education enforces the law and, in at least one previous case, has sued to stop the release of the information.

"This basically negates FERPA completely," said UI lawyer Samuel Skinner, a former Secretary of Transportation. "We're concerned it erodes all kinds of privacy rights, and leads on a slippery slope" to such consequences as identity theft.

But Don Craven, general counsel to the Illinois Press Association, agreed with the Tribune's argument that is seeking the records of applicants, not students.

Gottschall wrote that FERPA doesn't prohibit the release of education records, and even if FERPA did prevent the release of the requested documents, the First Amendment protects the newspaper's access to public records.

The judge put particular weight on that argument. The judge said the "decision in this case is a narrow one.

But the UI argues that in practice, the failure by a college or university to comply with FERPA can result in the forfeit of DOE funding, including federal grants and student financial aid, the UI said.

UI spokesman Tom Hardy noted that in 2010, the UI received $146 million in student financial aid and other grants from the federal Education Department, and it administered another $449 million in federal student loans.

Craven said he is not aware of any actual cases when FERPA violations resulted in loss of grants or aid.

Skinner said that privacy was paramount to the university.

"They're asking for information that parents couldn't get without a waiver from their own child," Skinner said.

With grade point and ACT information, "we're thinking of the privacy rights of those who have applied, been admitted and who have graduated," he said.

Chicago Tribune
April 13, 2011

U. of I. to fight privacy ruling

Records originally sought for 'Clout Goes to College'

By Antonio Olivo
TRIBUNE REPORTER

The University of Illinois said Tuesday that it would appeal a federal court ruling that a federal privacy act does not prevent the release of information about hundreds of college applicants who appeared on a list of well-connected students.

The Tribune sought those records as part of its 2009 "Clout Goes to College" investigation, eventually filing a state lawsuit against the university that year when U. of I. officials denied several Freedom of Information Act requests under a privacy law that controls federal funds for financial aid and other educational purposes.

As part of the ongoing legal dispute, the two sides asked a federal judge to weigh in on whether the Family Education Rights and Privacy Act of 1974 specifically prohibited the U. of I. from releasing the records. The U. of I. had turned over 5,200 pages of documents that fueled the Tribune series about the university's "Category I" list of well-connected applicants. Principally citing FERPA, the school refused to provide parents' names, addresses and applicants' standardized test scores and grade-point averages.

The judge, Joan Gottschall, sided with the Tribune. The ruling did not determine the outcome of the state lawsuit, which also hinges on privacy exemptions under the state FOIA law cited by the university.

In a motion filed Tuesday that served as a first step toward a federal appeal, the university argued that Gottschall's order exposes the U. of I. to irreparable harm, potentially violating the privacy of thousands more students and placing at risk roughly $594 million in federal funds.

Many of the roughly 1,200 FOIA requests filed to the university since 2009 also fall under FERPA, which could mean also having to release test scores, residency applications and other personal information in those cases, university officials argued.

Since Gottschall's ruling, recent FOIA requests have been more aggressive in the information sought, said Samuel Skinner, an attorney representing the U. of I. in the Tribune lawsuit.

"We anticipate other requests" that seek to capitalize on the Gottschall ruling, he said.

aolivo@tribune.com

The Daily Illini
April 13, 2011

LETTER TO THE EDITOR

University has no plans to combine campuses

More online: To read the campus integration editorial in question, visit our website at **DailyIllini.com.**

Last week, The Daily Illini published an unfounded editorial that suggested the University of Illinois is considering a proposal to combine our three campuses and to award one-size-fits-all, generic diplomas to graduates. Despite a vaguely worded correction that followed, I believe further clarification is in order.

The University has no plan — let me repeat, no plan — to combine the campuses or to shift away from our long tradition of campus-specific diplomas. It is imperative to slam shut the door left open by the DI's correction, which stated that a purported "One University" model and changes to diplomas are "under discussion," although not as proposals by the University administration.

The weak correction seems to say that because incorrect rumors are circulating, the DI needs to circulate them and thereby bestow a degree of credibility they do not deserve. In the future, feel free to contact University communications personnel to double check sources and verify information.

THOMAS HARDY,
executive director, Office for University Relations

The Daily Illini
April 13, 2011

Changes stir UI integration concerns

BY QUINN FORD
STAFF WRITER

Changes made by the Board of Trustees this year have all three campuses discussing possible effects of a more centralized administration.

The position of chancellor for each of the University's campuses was retitled as "vice president and chancellor." Some other changes made by the Board of Trustees included the creation of a vice president of health affairs for the University, as well as renaming the vice president of technology and economic development as simply the vice president of research.

The Board of Trustees explained the impetus for these organizational changes was to clarify the duties of University officials as well as the chain of command between the president and each campus' chancellor. In part, the change was a reaction to the recent admissions scandal and was meant to strengthen the position of president to better insulate the University from outside influence.

But dissenters voiced concerns that the changes would have negative effects on the University and its three campuses.

Ken Thomas, student trustee at the University of Illinois Chicago, or UIC, said the UIC community felt the restructuring would cause too much centralization.

"I do know a lot of students and faculty thought that UIC would get into the mix too much and (change)," Thomas said. "There was concern UIC would lose its urban mission."

Saad Jamil, UIC student president, echoed Thomas' comment that their community was worried about losing its uniqueness, but he said that so far, the change has been barely noticeable.

"I'd say the average student hasn't noticed a thing for the most part. Being a bit more involved and dealing with staff and faculty more than normal, however, it does begin to show a bit," Jamil said. He added that from an "objective view," the changes were relatively small.

"The title of the chancellor changed to vice president of a campus will not exactly cause me to stay up at night," Jamil said.

Matt Van Vossen, student president for the University of Illinois Springfield, said that there was not much of a reaction from his campus either. The Springfield campus was the only one not to oppose the changes when they were initially proposed. Van Vossen said he thought the changes affected the

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STUDENT LEADERS ON MULTICAMPUS INTEGRATION

How do you feel about a more centralized University administration?

"It's just superficial changes. We still feel we're just as independent. We still feel we're part of the whole University, but we don't feel we're being directed to change in any way (how) we educate students here."

MATT VAN VOSSEN,
UIS student government association president

"In my own opinion, I think that we need to have these conversations, and I don't think the president or the Board of Trustees have bad intent. They don't want to diminish this campus, but they want to capitalize on some synergies — for example, billing and costs."

DAVID OLSEN,
UIUC student body president

"It is my firm belief that these changes are not so drastic and sweeping as the response to them seems to indicate. I speak from the standpoint of the average student, and from this vantage point, my education continues forward as before, and my degree means the same thing, if not more."

SAAD JAMIL,
UIC undergraduate student government president

INTEGRATION

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administration and in no real way affected the quality of education. If it has, he said the students have not noticed.

"There hasn't really been that much uproar over here as there has been on Urbana's campus," Van Vossen said. "The students here aren't too concerned about it."

Urbana's campus has voiced the strongest reservations about what the changes might mean. At a meeting of the Senate Executive Committee last week, committee members commented that the restructuring runs the risk of diminishing the role of chancellor and making the position too deferential to the president. They also said that this erosion of authority comes at a particularly sensitive time due to the ongoing search for a new chancellor.

Another concern some students and faculty on Urbana's campus have raised is the effect the shift towards centralization could have on the value of a degree from this campus.

David Olsen, UIUC student body president, said that while he believes the University should capitalize on some possible synergies, it also has to keep in mind the University of Illinois at Urbana-Champaign is a brand that must be preserved.

"We can never lose this distinctiveness because that's the reason we can draw from the best and the brightest not only from the state of Illinois but also from across the country," Olsen said.

Chicago Sun-Times
April 13, 2011

College faculty pay keeps on shrinking

Campus presidents' raises are double those for teachers

BY KIM JANSSEN
Staff Reporter/kjanssen@suntimes.com

College professors nationwide have seen their real pay packets shrink for the second year in a row, despite the end of the recession.

Faculty pay rose 1.4 percent this year — less than the rate of inflation for the fifth time in the last seven years — according to a survey by the American Association of University Professors, based in Washington, D.C.

The group culled 2010-11 academic year data for full-time instructional faculty at 1,319 public and private two- and four-year campuses.

College presidents' pay increased twice as much as faculty pay during the recession, which the report's authors say is a sign of "misplaced institutional priorities" that threaten innovation.

The survey suggested the recession had continued or worsened pay disparities between public and private campuses, men and women, and even between academic disciplines, group officials said.

Faculty in law, computer science, engineering and certain business areas make substantially more than peers in the humanities, said John Curtis, director of research and public policy for the group. Full professors of business administration at large public universities earned an average $158,101 while full professors of English made $104,799.

"It really creates a morale problem on campus among people who feel they are essentially doing the same work and are paid widely disparate salaries," Curtis said.

The group said women who teach full time made 81 percent of what their male peers made. The survey showed growing reliance on temporary, non-tenure-track faculty, with graduate student employees and contingent faculty members comprising 75 percent of teaching staff.

Contributing: *Pittsburgh Post-Gazette*

AVERAGE PROFESSOR SALARIES

University of Chicago	$190,400
Northwestern University	$169,500
University of Illinois at Urbana-Champaign	$133,500
University of Illinois at Chicago	$125,700
Loyola University	$124,900
DePaul University	$122,100

Chicago Tribune
April 13, 2011

A hard sell

These guys can't take a hint: Despite harsh criticism of its management practices, the Illinois Student Assistance Commission has kept right on accepting new investors into its College Illinois! prepaid tuition program.

At the State of Illinois building in downtown Chicago last week, its marketing team handed out the usual fliers making the usual promises about covering tuition costs in the future for the newborns of today.

Promises, promises.

Funny how those slick brochures don't call attention to the program's severe underfunding and overly aggressive investment strategy—or how the state auditor general just last week headlined a new report on the program: "Sound Business Practices Not Followed."

Members of the Illinois House Executive Committee are expected to approve a measure on Thursday that requires an independent study of College Illinois!

The lawmakers need to do more than that. They need to close the plan to new investors now. Illinois has no business trading in tuition futures. And it especially has no business luring new customers with misleading come-ons, as the program continues to do.

College Illinois! still is inviting would-be clients to "lock in future college tuition and fee costs." Rest assured, the program claims, "The cost of college will be limited to a single, reliable and consistent number." Those purchasing prepaid contracts, it said, will obtain "the peace of mind that comes with knowing that tuition inflation is no longer a problem."

No, no, no. The state does not guarantee that these contracts will cover the full cost of college. The investment fund backing them has fallen far short of the amount needed to make good on the 55,000 sold already. And anyone buying new contracts will be charged an inflated price to help pay down the obligations to others who invested at a discount in prior years.

Close the College Illinois! tuition plan.

The commission says its marketing statements comply with the law. In fact, they probably have improved from five years ago, when the same group under a previous management falsely described College Illinois! as "state-backed." The commission also has acted responsibly in recent weeks by pulling broadcast and online ads, conceding that the message it's spreading needs to change.

Alongside the marketing brochures at the State of Illinois building last week, the College Illinois! sales team also distributed "Fed Shreds." Those are little bags handed out by the Federal Reserve Bank of Chicago of worn-out currency that has been shredded.

Finally, some truth in advertising: Anyone tempted to rely on a College Illinois! tuition contract should take a long look at all that shredded money.

HEALTH INSURANCE

The News-Gazette
April 13, 2011

Humana protests state's plans, too

Health Alliance complaint now also targets open access contracts

By DEBRA PRESSEY
dpressey@news-gazette.com

URBANA — Humana has joined Health Alliance Medical Plans in filing protests with the state of Illinois on plans to award new insurance contracts for state employees and retirees.

Insurance vendors have until noon today to file protests, according to the state's Chief Procurement Officer Matt Brown.

State employees and retirees are set to begin enrolling in new health plans May 1, but whether an evaluation of the protests and a decision from the Executive Ethics Commission will be done in time for final contracts to be awarded before then is hard to tell. The process can take days or weeks, Brown said.

"It is a priority for our office," he added. "However, we won't compromise the review."

Humana, which covers about 15,000 state employee and retiree members under an HMO, filed protests Tuesday on both the state's HMO and open access plan contract awards, company spokeswoman Lindsey Minella said.

Health Alliance, which covers nearly 100,000 state employees and retirees in an HMO plan and initially filed a protest Sunday on HMO proposed contracts, has since also filed a protest of proposed open access contract awards, company spokeswoman Jane Hayes said.

The state has proposed awarding two separate HMO contracts to Blue Cross and Blue Shield of Illinois and two open-access plan contracts to HealthLink and PersonalCare — a move Health Alliance contends will force its state employee and retiree members to switch to more expensive coverage to keep access to their current doctors.

The Blue Cross and Blue Shield HMOs apparently won't be options for East Central Illinois state employees or retirees because the company doesn't have medical provider networks established in those counties.

Hayes said Health Alliance officials decided to protest the proposed open access contracts in addition to the HMO contracts after learning Monday that the requests for proposals submitted by insurers were scored differently for HMOs and open access plans.

On HMO plans, she said, 70 percent of the state's consideration was pricing and 30 percent of the consideration was quality, provider network and other nonpricing factors.

On open access plans, she said, it was the other way around: Just 28 percent of the consideration was pricing, and the rest of the consideration went to quality and other factors.

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HEALTH

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Yet, Hayes said, the two selected open access plans — which are structured with three different service level tiers and out-of-pocket costs for each — will include HMOs on their first tiers.

"These are all considered managed care plans, so one would think the evaluation would be the same," she said.

Health Alliance officials say they have looked at costs for their members who would be forced to change to the second tier of an open access plan, and found that a family of four with typical health care costs in a year — including one hospital stay, one emergency room visit, nine primary care visits, three lab and X-ray service charges, three preventive health visits and one specialist visit — would pay 222 percent more.

For those services, out-of-pocket costs under a Health Alliance HMO would run $730, and under the second tier of an open-access plan, including the higher premium, out-of-pocket costs would run $2,351, according to Health Alliance Chief Financial Officer Gordon Salm.

The largest increase the company found in comparison was 309 percent more for a $10,000 hospital stay under the second tier of an open access plan and up to 135 percent more for an emergency room visit, Salm said.

Hayes said support for insurance contract protests has been growing downstate, and talks with legislators are continuing.

"We're talking to them about the fairness of about 137,000 members in downstate HMOs, including Health Alliance, PersonalCare and Humana, that would be forced to change health plans, that would be forced to pay more to keep their doctors," Hayes said. "Nothing changes for Chicago employees. They have the same offerings they had before. So our members are questioning, and so are legislators, why are you treating downstate people differently?"

Chicago Tribune
April 13, 2011

University is still failing basic finance

Grants misspent, students fail to get bills, auditor finds

By Jodi S. Cohen
TRIBUNE REPORTER

PHIL VELASQUEZ/TRIBUNE
Chicago State University President Wayne Watson, in a statement: "We are working on it around the clock."

For several months last spring, Chicago State University failed to send bills to its students, one of the more than 40 problems uncovered in the latest audit of the public university.

"That is kind of an elemental responsibility, to bill the students for their classes, their tuition costs. For them to not send any bills for students for spring semester, that is a problem," Auditor General William Holland told the Tribune in an interview Tuesday.

"The person who needs to be held accountable and responsible at this point is the president of the university," Holland said.

The taxpayer-funded university has a history of financial mismanagement, and the hiring of new president Wayne Watson in 2009 came with the expectation that new leadership would bring a new way of doing business. The most recent financial review, from July 1, 2009, to June 30, 2010, does not help the university make its case that it has turned a corner, said Sen. Edward Maloney, D-Chicago, chairman of the Senate's higher education committee.

"There have been changes in administration, there have been changes at the board level, and yet nothing

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Watchdog rips school

Continued from **Page 1**

seems to have changed. This is a huge concern," Maloney said Tuesday, adding that he may call for a special hearing to address the university's problems. He was unaware of the audit until contacted by the Tribune.

Watson replied in a statement that his team has been working to provide a quality education and supportive environment, while also addressing the fiscal concerns. "We haven't caught everything yet, but I can promise you, we are working on it around the clock," he said in the statement.

But the scathing audit portrays the 7,000-student university as a financial mess, with federal grants misspent, lax control over contracts and misuse of purchasing cards. The review revealed 41 problems, up from 13 the prior year.

The problems ranged from paying vendors above contracted amounts to allowing an elementary education student to graduate despite not completing a course in teaching physical education, a state requirement.

The university didn't dispute any of the findings in its official response contained in the audit.

"I know on the surface it looks bad for the institution, especially with the history that Chicago State has had. But believe me, this is not all bad," said Glenn Meeks, the university's vice president of administration and finance. "It was not until you uncover everything that is there that you are able to see what you are dealing with."

The audit is the first that covers the period since Watson took over in October 2009. He was "not interested" in speaking to a reporter for this story, according to an outside public relations representative, who referred questions to Meeks. A PR representative later sent comments that she said could be attributed to Watson.

Meeks said the new administration has a "corrective action plan" in place, and already has addressed 85 percent of the problems.

The university now has four internal auditors, up from just one, he said. There are new managers of the Jones Convocation Center and in the Office of Grants and Research, including a new position focused on compliance.

The university now electronically tracks purchases and contracts so there is more oversight and less possibility that procedures won't be followed. The audit found that some vendors began work before contracts were signed, for example.

Maloney said the audit comes at an especially troubling time as agencies are fighting for limited resources and taxpayers are demanding more accountability.

"We have been battling to raise the profile and level of importance that higher education plays in this state, and something like this just damages our efforts," Maloney said.

For example, the audit revealed concerns about the university's handling of a special $614,000 state appropriation for its new pharmacy program. When submitting invoices to the state for reimbursement, officials included unrelated expenses for food, advertising, natural gas supplied to the university and cleaning humidifiers in the library, according to the audit.

"None of these charges had anything to do with the pharmacy program," the audit states. University officials told auditors they did not have the pharmacy-related expense documents available by the deadline set by the Office of the Comptroller and "swapped other expenditures in order not to lose the appropriated dollars which it could ill afford to lose." They told auditors that the university did incur and pay expenses that "fully qualified" for the appropriation.

The comptroller's office reimbursed the university because there was no reason to question that the expenses didn't qualify, said comptroller spokesman Brad Hahn.

Watson's statement attributed the pharmacy-expense issue to "incorrect processes (that are) embedded in the culture here — have lasted for years and are even part of training for the staff. That is unacceptable, and we are working to correct it."

Chicago State board chair Gary Rozier said he's confident in Watson and his team. "We can really rectify the situation with the leadership that we have in place," he said.

Rozier, a senior vice president at Ariel Investments, called the audit problems "historic" and said the university asked the auditors to "dig deep."

Watson's statement also said he requested a "comprehensive audit," adding that the "majority" of the findings date back years but "were not uncovered or addressed in the past."

Holland, however, said it was a routine audit and auditees "do not determine the scope of our audits."

Holland said the university has suffered from staff turnover. There were three vice presidents for finance during the period covered by the audit.

Meeks blamed the failure to send bills to students last spring semester on a new bursar, the university employee responsible for students' tuition accounts. Watson hired a bursar in March 2010, and soon after, officials realized bills weren't being sent.

That person has since been replaced, Meeks said. He said students' accounts were always available to them online, even though the university failed to send bills on paper or electronically.

"I can understand how that is a little embarrassing for us," Meeks said.

The audit found the university also allowed students to register even if they owed the university money, a violation of school policy.

It also found the university had "unnecessary or unreasonable expenses" related to a grant from the U.S. Agency for International Development to print textbooks for schoolchildren in Ghana, in western Africa. Prior audits and a Tribune investigation several years ago revealed problems with how the university was spending the funds.

The latest review found the campus spent more than $7,000 on roaming costs for a cellphone and $6,800 to buy "additional airline tickets because the travelers were unaware of the check-in procedures on tickets already purchased."

Meeks said the university has new managers of the U.S. AID grant.

He asked the public to reserve judgment until next year's audit. "That will be the greatest test of changes," Meeks said. "Many of the findings that surfaced in the 2010 audit will go away. They will disappear."

jscohen@tribune.com

JOIN THE CONVERSATION

Reporter Jodi Cohen talks about the audit at the heart of this story, and the reporting path that followed, on our online newsroom blog, **TribNation.com**