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OUR VIEW: Universities face funding problem

The Journal-Standard

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Freeport, Ill. — In the private sector, when one of your biggest customers fails to pay the bill or simply closes shop, a business owner knows what needs to be done. The stark reality of the marketplace dictates cost cutting, new sources of revenue, and rethinking the business model.

The best companies, and the lucky ones, learn to adapt to survive. Sometimes all it takes is tightening the belt by minding how money is being spent and making sure there isn't waste. Other times, it takes dramatic reductions in staff or restructuring the entire company.

Monday, the new president at the University of Illinois, Stanley Ikenberry, told a group of regional business leaders in downtown Chicago that the current crisis in state funding is certain to have a dramatic impact on our top public school. By the end of the year, the state may owe the university as much as \$700 million, "threatening its entire financial underpinning," Ikenberry said.

The short-term response by the U of I will focus first on cost cutting. Reductions in faculty, administration costs and other staff will make up some of the state deficit. Recent action by the Legislature that allows state colleges to borrow up to 75 percent of what the state owes them will also help the university cover some of its sudden cash flow problems.

Both of these steps, Ikenberry admitted, are stop-gap measures that do not address the real financial crisis, which is the state's failure to pay its shared revenue obligation.

It follows then, that the rest of Ikenberry's assessment should include an honest reassessment of the business model that guides the University of Illinois and other state colleges.

Finding students is not a problem for state colleges. The U of I currently has a waiting list of people who want to attend.

But the cost of educating people is a problem, and it requires rethinking the way state colleges are operated.

Waiting for the state to figure out how to pay its bills is not the long-term solution to Ikenberry's problem, and he knows it, based on his comments Monday.

It's time for the U of I, and other state colleges, to look at other ways of delivering education that fit within the cost parameters of the revenue these schools generate.

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The Alestle

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SIU plans on borrowing \$75 million

Only university within state actively pursuing borrowing

By: Rosie Githinji

Posted: 6/16/10

SIU plans on borrowing \$75 million in loans, a decision coming just two days after Gov. Pat Quinn gave his approval for Illinois universities to borrow money.

The SIU Board of Trustees met Thursday for an emergency meeting to discuss the approval of Senate Bill 642 and voted unanimously to give the president's office the authority to borrow.

The university plans on borrowing about \$75 million, according to SIU President Glenn Poshard.

"The money can only be borrowed for operations. About 75 to 80 percent of the operations budget is salaries," Poshard said. "It is a big plus for us in terms of being able to manage our budget."

Poshard said the borrowed money will help SIU avoid layoffs or furloughs and all the money borrowed for the system has to be approved by the BOT.

"This has been exceptional in terms of the job our people have done," Poshard said. "It's not the be all, end all, but it's certainly a step in the right direction."

Other universities around the state, such as the **University of Illinois** and Western Illinois University, have approved to give their respective presidents' offices the authority to borrow, but none have expressed interest in following in SIU's footsteps yet.

The bill states that the BOT has the power to borrow money for "the purposes of paying salaries and other expenses lawfully authorized in the university's state appropriation."

As of June 4, the state of Illinois owed the SIU system \$106 million dollars out of the \$235 million set for appropriations, according to Dave Gross, SIU executive assistant for Government Affairs.

"We have gone almost the entire fiscal year without the money," Gross said.

The university receives the second most in appropriations to the University of Illinois, who is owed more than \$366 million. The total amount the state has yet to pay to all universities is over \$630 million.

The fiscal year is over at the end of June, according to Poshard. The state has only paid about 53 percent of the total appropriations owed to SIU.

The bill had awaited Quinn's decision for 22 days before he signed it into law June 8.

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(!!) Flood Warning in IL: Knox Flood Warning in IA: Cedar, Clinton, Des Moines, Henry, Johnson, Louisa, Muscatine, Scott

BREAKING NEWS: LIVE VIDEO: Gulf oil leak

Jane Addams Hull House Museum offers urban farm tours

By Associated Press
3:09 AM CDT, June 17, 2010

CHICAGO (AP) — The Jane Addams Hull House Museum is offering tours of an urban farm on the campus of the [University of Illinois at Chicago](#).

The museum says the tours are available along with a farmers market while its exhibit space is closed for expansion. The farm and market are part of the museum's food activism program. The farm plot is a half-acre large and uses sustainable practices. It has a solar-powered greenhouse and has produced heirloom vegetables and herbs.

Museum director Lisa Lee says Hull House founder Jane Addams cultivated community gardens in vacant Chicago lots. The tours are available through August. The museum plans to reopen with new exhibits in September.

Online: <http://www.uic.edu/jaddams/hull/>

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MAPPING PROJECT

UI gets grant to help with elevation model

By **PAUL WOOD**
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It's fair to say much of Illinois is flat, but that's not good enough for building roads and mapping flood-prone areas.

The National Oceanic and Atmospheric Administration has awarded the University of Illinois a \$799,200 grant for the second phase of the Illinois Height Modernization Program.

Using high-tech laser and low tech markers, the project is working on a high-resolution digital elevation model of the Earth's surface, specifically Illinois.

Beverly Herzog, a principal investigator for the project at the Illinois State Geological Survey, said that when the project is finished, the state will benefit economically at the government level (road and bridge construction), the private sector (data necessary for building skyscrapers) and the individual consumer, who can use the data for help in matters like flood insurance.

Because the federal grant is so beneficial to so many entities, Herzog said, the UI and its geological survey are able to partner with groups like the Illinois Department of Transportation, where Amy Eller is co-investigator on the project.

The funding allows the project to continue developing data-sharing agreements with governmental entities for Light and Detection Ranging (LiDAR) data, provide online access to the data and conduct project outreach.

"This is exactly the sort of

(cont.)

MAPPING

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work the federal government should be doing, helping agencies connect for the common good," Herzog said.

Part of the work is restoration. Herzog said Illinois has lost about half of its benchmarks, usually a metal disk made for this purpose and at a spot that has been accurately measured, such as a village

center or a peak.

"They are often in the right of way, which results in damage," she said.

In other cases, the benchmarks need to be revised because more accurate data, such as GPS or LiDAR, light-emitting radar from a plane, is now available.

Herzog said some of the benchmarks go back to the 1920s.

More high-tech parts of the project include acquisition of high-resolution digital elevation data using remote sensing technologies and the installation of Continuously Operating Reference System so that users receive GPS signals to provide real-time location corrections.

According to the National Geodetic Survey, Illinois is ranked in the bottom 10 states for the quality of its elevation data, including topographic maps.



News

A Political Online Push

June 17, 2010



When Jon Stewart asked Minnesota Gov. Tim Pawlenty last week for some examples of how he intended to administer "limited and effective" government, the Republican governor did not roll out boilerplate rhetoric on welfare or farm subsidies. Instead, he took square aim at traditional higher education.

"Do you really think in 20 years somebody's going to put on their backpack, drive a half hour to the University of Minnesota from the suburbs, haul their keister across campus, and sit and listen to some boring person drone on about econ 101 or Spanish 101?" Pawlenty asked Stewart, host of "The Daily Show."

"Can't I just pull that down on my iPhone or iPad whenever the heck I feel like it, from wherever I feel like it?" he said. "And instead of paying thousands of dollars, can I pay \$199 for iCollege instead of 99 cents for iTunes?"

This was not a new tune for Pawlenty; in 2008, he challenged the Minnesota State Colleges and Universities (MnSCU) to more than double the percentage of credits it awards for online courses, setting a goal of 25 percent by 2015.

But Pawlenty's reprise of this overture last week on "The Daily Show" and several other news outlets marked the first signs that Pawlenty, a presidential hopeful, could make online education one of his talking points. Although the Minnesota governor has made no formal announcement, many believe he will make a bid for the Republican nomination in 2012.

This makes his portrayal of traditional higher education as an anathema to government efficiency, and of mobile-based online education as the cure, a potentially controversial flashpoint for the national conversation about distance learning. Indeed, Pawlenty's mainstage advocacy of online education comes at a time when several other state higher education systems, notably in [Pennsylvania](#) and [Indiana](#), have sought to leverage online technologies to cut costs. In Pennsylvania, some faculty members are viewing with alarm an idea being pushed in the state system to use technology to combine foreign language and other programs across several campuses. In Indiana, the addition of a Western Governors University campus -- in which credit is awarded online for demonstrating competencies learned -- is supplementing existing campuses.

Pawlenty's Pet Project

Pawlenty's effort to spur the expansion of online education in Minnesota's public universities has shown some promise. When the governor set the 2015 goal for 25 percent of MnSCU credits to be delivered via predominantly online courses (i.e., those that include no more than two face-to-face meetings per semester) [back in November 2008](#), that figure stood at 9.2 percent. It now stands at 12.5 percent. Officials at MnSCU say that is a significant leap, especially so given that the system has grown its overall enrollment by 10 percent over those two years.

It does not, however, put the system on track to reach the 25 percent online credit goal by 2015 — unless "blended courses" are included. Adding blended courses, the current rate jumps to 17.1 percent, up from 11.9 percent in 2008. The system has a low bar for what courses qualifies as "blended": it classifies as such any course in which at least one class session per semester is held online.

In any case, the proportion of educational credits being awarded by Minnesota's public colleges is on the rise, and the goal to "increase access and student success through online learning" remains a part of the board of trustees' official action plan. The system

is also building interactive training modules designed to help prepare professors to teach online more effectively, says Patrick Opatz, the chief operating officer for MnSCU's online learning system.

Faculty Concerns

Some faculty members have found Pawlenty's push distressing. Rod Henry, president of the Inter Faculty Organization, a MnSCU faculty union, says professors are concerned that Pawlenty's drive toward online education might unduly increase their workload and compromise quality.

Henry cited the widely acknowledged fact that online courses are more work-intensive to teach than face-to-face ones, and said some professors, including himself, have had to teach online courses on top of their existing teaching loads. "You can do that sort of thing one semester perhaps," Henry says. "But over time, we believe quality will suffer." Currently, the way online teaching is counted toward workload varies by campus, system officials say: Sometimes an online course will be counted as part of the faculty's normal workload, and sometimes online students will count as "overload," meaning the professors get paid extra on a per-student scale (which is not as much as they would be paid if it were counted as a regular course). The union has lobbied for a system-wide standard for nearly a decade with no success, Henry says.

Opatz, the online education administrator, says professors are largely moving their courses online voluntarily, not because of any orders from above. But Henry suggests this is a misleading portrayal of faculty enthusiasm.

How it works, Henry says, is that academic administrators at the system's 54 campuses tell departments, particularly ones that cost more money than they bring in, that they need to find some way to boost their enrollments — the implication being that departments that fail to do so could see their funding cut as the system looks for ways to streamline its operations in light of diminishing funding.

The threat of phasing out modestly-enrolled programs is a reality at other state higher-education systems: In Pennsylvania, the state university system is planning to use online education to combine degree programs across the system — a move that is expected to lead to job cuts among faculty members on the individual campuses whom the move would render extraneous.

The only way that MnSCU faculty looking to avoid that fate can boost their own numbers is to go online, Henry says. So while some professors might be glad to make the shift, many are doing so "voluntarily" simply because they feel they have no choice. This could be damaging in the context of a sweeping effort, Henry says, since "online does not seem to work equally across all disciplines and all students."

What is worse, he added, the faculty was not consulted before Pawlenty made his pronouncement and the board codified it.

Rigging the Debate?

The University of Minnesota, as the state flagship, tends to have more independence than MnSCU. But when Pawlenty promulgated his plan for MnSCU in 2008, he did encourage a similar push on the University of Minnesota campuses. And with the governor now on the national stage, J.B. Shank, an associate professor of history at the University of Minnesota at Twin Cities, is concerned. And he says a lot of his colleagues are, too.

Specifically, Shank says he is troubled by Pawlenty's framing of the issue as a battle between pro-efficiency, pro-technology students of the "iPod generation" and stodgy, ivory-tower luddites who care more about self-preservation than lowering barriers to higher education.

"Technophilic talk is a pernicious distraction," he says, "because it allows for a certain kind of justification for not giving the university the money it needs to provide the kind of education it wants to provide."

Shank is not the only observer troubled by Pawlenty's online-education evangelism on "The Daily Show." In a [column](#) for MinnPost.com yesterday, reporter Sharon Smickle picked apart the governor's comments, saying that quality online education costs substantially more than the \$199 figure Pawlenty quoted, without qualification, to Jon Stewart. Smickle observed that individual courses at the Minnesota-based online for-profit Capella University cost between \$795 and \$1,035, and that during hearings in the Minnesota legislature, experts had testified that to do distance education properly is "neither cheap nor easy."

There is a conversation to be had about the role of online education in lowering the costs of certain segments of higher education, Shank says. But the broad-strokes manner in which Pawlenty seems to be painting the issue on the national stage is not a good starting point, he says. Dubious math aside, the subtext of the governor's narrative is that a liberal arts education is either obsolete or

undeserving of state support, Shank says. This should strike educators as alarming, he says, since online learning platforms are inadequate venues for the sort of extemporaneous Socratic exercises in critical thinking that lie at the core of the liberal arts. (Shank cited a recent column by *New York Times* columnist David Brooks exalting the societal value of the liberal arts, and pointed out that Pawlenty himself is the product of such an education.)

Henry, too, said he thinks the national conversation on online higher education might be better served if Pawlenty framed it with a little more nuance.

"What he should have said," Henry says, "is, 'We have these technologies, and we're going to help you use them where you think it's appropriate in consultation with the administration... We want to make sure what we're doing is pedagogically sound, and that we're giving students [the quality education] we say we're giving them.'"

— Steve Kolowich

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June 16, 2010

Private Colleges Plan Deep Partnerships to Weather Financial Challenges

By Alexandra Tilsley

Administrators from a diverse group of private colleges say a new business model based on collaboration is on the way, and could be critical for those colleges' survival.

Facing a faltering economy and changing demographics, officials met at Wagner College, in New York, this week for an executive summit of the New American Colleges and Universities, a consortium of 20 institutions that share a focus on integrating liberal arts and professional educations. It was the 15-year-old organization's first meeting to bring together several groups of top administrators: presidents, chief academic officers, chief financial officers, and enrollment managers.

The colleges face similar challenges. All of them are tuition-driven campuses that draw students largely from their regions. They are also facing increased competition from for-profit universities at a time when the number of college-aged students is decreasing and endowments are still recovering from the recession.

The solution, the group has decided, is to join forces.

The new proposals differ from previous collaborations, which have included sharing ideas and discussing mutual problems.

Administrators hope to combine international programs, share technology, create faculty-training programs across campuses, and share enrollment data, among myriad other efforts. Their plan is not just to share resources, but to fundamentally change the way the colleges operate.

Carl Sgrecci, vice president for finance and administration at Ithaca College, said in an interview after the conference that collaboration has become a higher priority.

"Now more than ever, we've got to do these things to keep our institutions viable," he said "If we don't figure out ways of controlling our costs and making what we offer more accessible, at the end of the day, some of us will be out of business."

'Competition Is Not a Problem'

Partnerships will cut costs, helping the colleges to avoid future increases in tuition, which are already relatively high. But the colleges' leaders see a number of other benefits.

Charles A. Taylor, vice president for academic affairs at Drury University, said partnerships could allow students to have access to courses not offered on their campuses, and to benefit from articulation agreements, through which students who successfully completed their undergraduate studies at one college would be guaranteed admission to a graduate program at another within the group. Valparaiso University's president, Mark A. Heckler, also suggested bringing together "faculty superstars" from across the system to collaborate on research and to potentially teach courses together.

Collaboration could help the colleges maintain their enrollment levels, too. Laurie M. Hamen, vice president for enrollment management, athletics, and student affairs at North Central College, said strengthening the connections could open doors for recruiting and marketing in new areas. At the very least, she said, it would increase visibility.

Competition is not a problem. Though the colleges all have the same mission—integrating professional and liberal-arts education—administrators say they are different enough in size, location, and strengths that they won't be pitted against each other.

Studying Other Industries

Mr. Taylor, of Drury, who says he thinks collaboration is essential, did note that it could threaten the colleges' unique identities. Others, however, say there are ways the schools can maintain their differences within the consortium.

Distinctiveness "is part of the lifeblood of our institutions as we're situated in our regions," Mr. Heckler, of Valparaiso, said. "We're largely not in direct academic competition with each other, so by rethinking that, we can keep our individual brand and positioning quite clear but leverage the power of bringing people together."

Richard Guarasci, Wagner College's president, said the group examined ways other industries have handled similarly tumultuous times, and determined that collaboration was better than mergers, franchising, or using enrollment growth to cope with budget pain.

"It's worth the investigation, given the alternatives ... and it's something we're intent on pursuing" Mr. Guarasci said.

Presidents from the group plan to meet again in January to discuss concrete plans. They expect to move forward quickly, though Bruce E. Arick, vice president for finance at Butler University, noted that

the goal is not short-term but long-term change.

"Is it going to have a huge impact in the next five years? I don't think it will be huge. But I think as we look ahead to five and 20 years and 50 years, it will be very important," he said.

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The Washington Post

Community-college transfer students in Va., Md., easing into university level

By Daniel de Vise
Washington Post Staff Writer
Thursday, June 17, 2010; B01

Public universities in Virginia and Maryland are drawing unprecedented numbers of students from community colleges, building a transfer pipeline that is changing the traditional path to a four-year degree.

In the past few years, state colleges have agreed to common standards for many community college courses and then guaranteed admission to applicants with good grades. The shift helps families save money on tuition while bringing the four-year schools a more diverse student body.

Transfer students also can alter the dynamics of a college campus. Unlike typical undergraduates, for instance, they often have far more experience in the ups and downs of the working world.

Interest in transfers been heightened by the economic downturn. "Think of us as the lowest-cost on ramp to an undergraduate degree," said Glenn DuBois, chancellor of Virginia community colleges. "Americans are pretty good at shopping price and value."

Community college transfers rose 36 percent in Maryland and 34 percent in Virginia from 2000 to 2008, outpacing overall college enrollment growth in those states. Transfers to the University of Virginia doubled in that time, to more than 280 annually, which represents just under 10 percent of the typical junior class. Transfers were up 17 percent at the University of Maryland, 27 percent at George Mason University and 53 percent at Towson University. Each of them accepts more than 1,000 transfers a year.

Saoussen "Susie" Mahjoub is emblematic of the trend. Three years ago, she enrolled at Northern Virginia Community College, working part time and living with her mother. Now, the 24-year-old Tunisian immigrant is on track to graduate from U-Va. She still can't quite believe that a transfer delivered her to the upper echelon of higher education.

"I wake up in the morning, and I thank God for where I am," she said.

In the past five years, Virginia's 23 community colleges have reached accords from school to school for transfer admissions.

Maryland higher-education leaders are rolling out new statewide two-year degrees, accepted at every public four-year college. An online database gives community college students the transfer value of each course.

More than one-third of graduates from Virginia's four-year colleges began in community colleges, the

state estimates. The rate is higher in Maryland. There are no comparable figures for the District, which until last year lacked a traditional two-year college.

Students who start in community college save enormously on tuition, and they often live with parents and work full time.

The evolving system fulfills the vision of Thomas Jefferson -- the nation's third president and founder of U-Va. -- of a college within a horse ride of every home.

Taxpayers benefit, too. Community colleges receive a small fraction of the per-student state aid allotted to public four-year colleges.

For transfer students, the region's public universities have never been more welcoming. In Charlottesville, transfers arrive to special orientation sessions and peer advisers. They are often paired with another transfer as a roommate.

"They're not just plopped down and expected to fend for themselves," said Greg Roberts, dean of admission at U-Va.

Still, some transfer students struggle to assimilate to undergraduate campus life. Others, perhaps older than their classmates, may choose to live more like graduate students. Andrea Jones was eight years out of high school when she transferred to U-Va. last year from Piedmont Virginia Community College.

"I'm 26 years old. I don't think I really need to go back and live in dorms and relive the whole experience," she said.

U-Va., a highly selective school, had some misgivings in 2006 when it began guaranteeing admission to qualified community college students. Transfer students gained such a leg up that some high school seniors tried to exploit that route by earning community college credits before graduation. Officials closed the loophole by requiring that transfer students be at least a year out of high school.

The transfer influx has brought diversity to Charlottesville as many top public universities are becoming increasingly wealthy and white. Last year's transfer students were three times as likely as freshmen to come from low-income homes.

Research shows that transfer students graduate at about the same rate as others.

"They've had to work hard to get where they are," said Rod Risley, executive director of Phi Theta Kappa, a community college honor society.

Although surveys show that as many as two-thirds of community college students nationally are aiming for four-year degrees, Virginia and Maryland have found that the actual transfer rate is far lower. Many community college students lose their way in a thicket of rules. Part of the problem is higher-education politics. Community colleges have often struggled to win recognition for their courses from four-year schools.

In Maryland, Virginia and other states, transfers have been helped and hindered by a patchwork of hundreds of separate agreements between individual colleges, some applying to a single academic major.

By championing transfers, community colleges are returning to their roots. Joliet Junior College, the first such institution, was founded in 1901 to prepare students for the University of Chicago. California's higher-education system presumes that high school graduates with a C average will start in community college and that every qualified student will get a shot at a four-year degree. Most graduates of the California State University system are transfers.

On the East Coast, two-year colleges have often been perceived as having a primarily vocational mission. But higher-education leaders are pushing for more associate degrees that count toward university study.

Several states are now moving to a uniform two-year degree. California lawmakers are considering a statewide associate degree that guarantees admission to the California State University system. Maryland's new degrees streamline transfers in such popular fields as education and engineering.

Eight states have adopted common course-numbering systems that ensure the transferability of community college credits, according to the American Association of Community Colleges. Maryland, with its course database, is one of 26 states that clearly define what students need to transfer.

In Maryland, the biggest growth in transfers has come at the University of Maryland University College, which evolved from a U-Md. evening study program. It emphasizes professional education, commuter convenience and online study -- much like a community college.

Alexandra McKenna, 22, graduated from Kennedy High School in Wheaton, then spent three years at Montgomery College before transferring last year to UMUC. "I was helping my parents save money and saving money myself," she said.

Now she is mulling over a nursing career, as she works full time at a Bethesda hair salon. It might not be the ideal college experience; McKenna lives with her parents in Wheaton and spends more time with customers than fellow students. Then again, it might be her best shot at a bachelor's degree.

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