



Our Opinion: Ikenberry shows the art of leadership

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THERE'S NO DENYING that Stanley Ikenberry has an iconic place in **University of Illinois** history.

As president of the university from 1979 to 1995, Ikenberry oversaw huge growth in the institution's physical features and reputation. The Beckman Institute for Advanced Science and Technology, a behemoth of research that connects several disciplines and opened in 1989, is a stunning visual and academic monument to Ikenberry's tenure.

WHEN THE UNIVERSITY was rocked a year ago by an admissions scandal that led to the resignation of then-President B. Joseph White, Ikenberry was called back into action as interim president. Not only was he charged with repairing real and perceived damage from the "clout list" admissions debacle, he also took the reins at one of the most financially tenuous points in the university's history. Owed hundreds of millions of dollars from a deadbeat state government that showed no signs of paying, Ikenberry enacted an austerity plan that included furlough days for U of I employees.

If ever there was a non-sports figure deserving permanent recognition with a sculpture on the Urbana-Champaign campus, it's Stanley Ikenberry.

AND HERE'S another reason why he's deserving of a sculpture: He put the brakes on a plan to spend \$98,000 for a sculpture of himself.

With the university now evaluating every expense and even entire academic programs to find savings, while raising tuition 10 percent, this is not the time for \$98,000 artworks. The fact that this expense reached the point it did — sculptor Peter Fagan was planning on an Oct. 1 installation — reveals a fairly alarming disconnect between the officials who commissioned the sculpture and those bearing the brunt of the ongoing fiscal crisis.

As U of I junior and student senate member David Wall put it: "The university is showing up a little late to the fiscally conservative party."

THAT'S NOT to say this project should be permanently forgotten. As we noted, Ikenberry occupies a significant place in U of I history. Students for decades to come will benefit from his service over two terms as president.

Perhaps in the meantime the university should mount a cardboard placard in the space that Ikenberry's likeness was to have occupied. It could bear, in magic marker, the names of our state legislative leaders and be a monument to lack of leadership and poor governance.

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ST. ANTHONY'S
OUTREACH MINISTRY

Old UI cots going to a good cause

By **TIM MITCHELL**
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CHAMPAIGN — Hundreds of cots formerly used by University of Illinois students will provide a place to sleep for needy families in Honduras.

John Lally, a volunteer with the Bloomington-based St. Anthony's Outreach Ministry, loaded about 1,400 cots from the Peabody Drive residence halls on Thursday morning onto a truck.

The cots will be loaded onto a ship and taken to Honduras, where they will be given to poor and homeless people, according to ministry founder Jeannine Montgomerie.

St. Anthony's Outreach Ministry is a charity based at St. Mary's Catholic Church in Bloomington.

Montgomerie said the ministry got started in 2007, originally as a way to help poor

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individuals and families in Appalachia.

"The whole idea is to get people to share their stuff with people who don't have the basic necessities," Montgomerie said.

When Lally discovered in 2007 that Illinois State University was disposing of hundreds of mattresses, he arranged to have them donated so the ministry could ship them to Appalachia.

In addition to mattresses and cots, the ministry provides desks, household items and bicycles for people in Appalachia, Montgomerie said.

"It's a lot better than having this stuff end up in a landfill, and the people who get the mattresses truly appreciate it," Montgomerie said. "These mattresses still have use for people who have been sleeping on the floor."

In more recent years, the ministry has expanded its outreach to Honduras.

Montgomerie said this is the first year that St. Anthony's Outreach Ministry has partnered with the UI.

"We're very excited about the opportunity to get to work with the UI," she said.



News

The Senate Scrutiny Begins

June 25, 2010



WASHINGTON -- Senate Democrats began their investigation of for-profit higher education here in earnest Thursday, holding the first in what they promise will be a series of hearings aimed at better understanding the sector's value to students and taxpayers.

For three hours, the Health, Education, Labor and Pensions Committee heard testimony that, taken together, amounted to a largely scathing overview of the sector.

A former student spoke of being pressured into a vocational program that led her to debt and unemployment. The U.S. Department of Education's inspector general and a former California prosecutor recounted instances of fraud. An investor who made billions of dollars taking advantage of the subprime mortgage crisis asserted that for-profit higher education is on its way to being the next big debt crisis.

And that picture, of an industry rife with misuse of federal funds, was just what the committee chair, Sen. Tom Harkin (D-Iowa), wanted. "We have a responsibility to ensure the taxpayer dollars are being spent wisely and that for-profit colleges are serving students, not just the shareholders," Harkin said at the start of the hearing, which was based in part on the findings of a report he released Thursday synthesizing available data on the sector. Federal financial aid provides students an opportunity to receive postsecondary education, he added, and "Congress has a responsibility to ensure that this opportunity is real, and not just false hopes peddled on a billboard or pop-up ad."

After a decade of little oversight of for-profit higher education that coincided with dramatic growth in enrollments and revenues derived from federal financial aid funding, Democrats in Congress and the Obama administration have begun tightening their grip on the sector. Its institutions enroll about 10 percent of the nation's postsecondary students but receive nearly a quarter of the funds dedicated to student aid under Title IV of the Higher Education Act of 1965.

While the U.S. Department of Education has thus far focused on revising regulations related to the integrity of the Title IV programs, and have gone out of their way to say they are not singling out private sector institutions (protestations not always believed by representatives of the colleges themselves), congressional Democrats appear primed for a wider-reaching examination of the sector. "These are for-profit schools, but 90 percent of their money comes from taxpayers," Harkin said. "There's something happening out there that compels us to look at this."

But, he added, "for all our investment in the sector, we know surprisingly little" about it. On Monday, he and four other Congressional Democrats asked for the Government Accountability Office to conduct a more exhaustive study of the sector's student outcomes. "We don't know exactly what risk we are taking by investing an increasing share of our federal financial aid dollars in this sector."

Sen. Mike Enzi of Wyoming, the senior Republican on the panel, said he also saw a need for more data on the sector. He acknowledged that "unfortunately, as in other industries, there are bad actors in the for-profit sector." Their presence, he said "is unacceptable," but he warned that Congress and the Education Department ought to "use a scalpel and not a machete" to address problems.

Harkin, though, said he worried that bad actors had engulfed the sector. "It seems that we have a situation where the bad actors are

pulling the good actors," he said. "Now, what I mean by that is that a company that may be a good actor -- maybe DeVry, who has a long history and other companies like that -- are being pulled into this vortex because their competitors are doing it and their competitors are sucking up all this federal money."

He elaborated: "A school that in the past has been a great school maybe ... says wait a minute, we miss this train, we're out of luck, maybe we've got to get on that train, too. And so we find those that know how to game the system in the last 10 years, to increase their profits, to increase their income, churn the students -- those kind of then pull into this vortex a lot of good schools that otherwise would not be doing that."

Sharon Thomas Parrott, senior vice president of government and regulatory affairs and chief compliance officer at DeVry, Inc., was the only supporter of for-profit higher education included on the panel. She said that she believes her company behaves ethically and is devoted to serving students. "I'm not interested in drawing false distinctions between what motivates a private-sector school and what motivates a state-funded public school. At the end of the day, if we are student-centric, the ties that bind are greater than the lines that divide."

Harkin and other Democrats who spoke at the hearing seemed to be anxious for a philosophical reexamination of the idea of for-profit higher education. "Companies that are increasing their revenues so much each year but all of it's coming from government money and the huge profit margins," Harkin said. "If this is education and it's taxpayers' money, we really have to question seriously the profit margins of these companies and where that money's going."

Sen. Al Franken (D-Minn.) said that for-profit colleges "serve a purpose and some do a good job, but there's obviously an incredible number of bad actors and I would like to shut them down." He added: "We talk about waste, fraud and abuse around here -- and I think we're hearing it today."

Some of the most dramatic accusations came from Steven Eisman, an investor whose analysis of for-profit higher education has led him to conclude that the sector is on the verge of collapse. He's made investments betting that stocks of publicly traded for-profit stocks are on the way down, (because they face regulatory -- and now Congressional -- pressure), just as he did with subprime mortgages a few years ago. "Until recently, I thought that there would never again be an opportunity to be involved with an industry as socially destructive as the subprime mortgage industry. I was wrong. The for-profit education industry has proven equal to the task," he said. "If nothing is done, then we are on the cusp of a new social disaster."

But critics, including Republicans on the committee and representatives of for-profit colleges, questioned his motives. Harris N. Miller, president of the Career College Association, gave an hour-long critique of Eisman on Wednesday, and a chorus of similar comments has followed among those with financial stakes in the success of the sector.

Despite Democrats' clear desire to scrutinize the for-profit sector as a whole -- something Republicans have not been amenable to in the past -- Enzi said he hoped to work with Harkin in planning future hearings on for-profit higher education. The only other Republican attending the hearing, Sen. Lamar Alexander, of Tennessee, who was secretary of education in the early 1990s, did the same. "This could be very productive -- I'd be glad to work with you on this," he said. Congress ought to take action against bad actors in for-profit and nonprofit higher education "but not diminish the quality and the choices that come with overregulation."

Harkin made a slight gestural acknowledgment of Alexander's offer. Whether it is bipartisan or not, Harkin promises more action.

"I don't think anyone who is reasonably objective about this can say there's nothing wrong and we don't have to do anything about this," he said. "And this committee, I can tell you, we're going to make something happen." The next hearing will be in July.

— Jennifer Epstein

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Fund Raising

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Annual-Fund Revenue Fell in 2009, Along With Participation

By Alexandra Tilsley

Fewer people gave money to colleges in 2009, and those who did gave less than usual, a study of annual funds has found.

Participation in annual funds has been on the decline for a few years, but 2009 marked the first time that annual-fund revenue dropped as well, according to the 2009 Index of Higher Education Fundraising Performance. The report examined donations to 61 public and private colleges during 2009. Although the negative trends were more marked at public colleges, there were few positive signs for either group.

The study was done by Target Analytics, which is part of Blackbaud, a provider of software to nonprofit groups.

The median participation rate for all colleges dropped from 15.9 percent in 2008 to 12.4 percent in 2009. The colleges in the survey reported an average drop in revenue of 8 percent per donor. Annual-fund revenue declined 13 percent over all—15.6 percent at public colleges and 11.2 percent at private colleges.

These numbers are consistent with the results of this year's Voluntary Support of Education survey, which reported a record 11.9-percent drop in donations during 2009. That survey, which examines all giving and is conducted by the Council for Aid to Education, found that alumni participation hit a record low, 10 percent, and that the average size of alumni gifts fell 13.8 percent from the previous year.

"Donors were simply giving less," Shaun B. Keister, associate vice president for development at Pennsylvania State University, wrote via e-mail. He helped analyze the data for Target Analytics.

The drop in revenue could have resulted from what Mr. Keister called a "self-fulfilling prophecy." Worried that donors would say no, colleges asked for less money—and so donors gave less.

The colleges that managed to defy the downward trends were those that "infused more effort" into their giving program, he said.

Rice University, for example, achieved a 10-percent increase in revenue and a 1-percent rise in participation by reaching out to young alumni—traditionally the group with the lowest participation rate, said Darrow G. Zeidenstein, vice president for resource development.

"If we hadn't done that program, we probably would have been down 2 or 3 percent," he said.

The full report is available at [Blackbaud's Web site](#).

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Morningstar adding 529 college plan research

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(AP) — Picking a 529 savings plan for your child's college education may be about to get easier.

Morningstar Inc. is unveiling new research tools designed to simplify the task of weeding out the plans that have gotten increasingly complex even as they become more popular for their tax breaks.

The tools will go beyond Morningstar's annual listing of best and worst state-sponsored investment funds for college expenses. They will provide more detailed data on 529s in all 50 states and ratings on the company's one- to five-star ranking scale. That should help enable families to make appropriate choices without having to sift through a vast array of investment options as well as make them more aware of the fees plans charge.

"Making this investment choice for your child's college tuition is a big choice for parents," Laura Lutton, Morningstar's editorial director of fund research, told reporters at the company's investment conference Thursday. "We just want to give them better tools."

Morningstar will assign each 529 plan to one of 25 categories based on the age of the child, risk level, type of investment and whether it has a low, medium or high percentage devoted to stocks. That is designed to provide a more focused comparison against a plan's peers.

Every plan will be given one of five ratings — top, above average, average, below average or bottom. Those with at least three years of performance data will also receive a star rating.

The new research and data will be available in September.



Eureka College campus named historic

By Michele Steinbacher | msteinbacher@pantagraph.com | Posted: Thursday, June 24, 2010 9:40 pm

EUREKA -- Eureka College leaders say they always considered the campus and its story historically significant, but now they've got some outside affirmation.

On Thursday, the National Park Service announced official designation of the Eureka College Campus Historic District. The application process took about two years.

"It's a major external stamp on all things Eureka," said Brian Sajko, the college's vice president of admissions, communications and integrated marketing.

The college fit well into eligible categories of architecture and education, he said. Two campus buildings - The Chapel and Burrus Dickinson Hall - already were designated as national historic sites. The new honor makes the entire campus a piece of national history.

President Ronald Reagan's relationship with his alma mater certainly was a factor in the historic designation, but not the only reason.

"This is a reflection on our heritage, on the legacy that is Eureka College," said Sajko.

Founded in 1845 by the Church of the Disciples of Christ, Eureka was known early on for its abolitionist stance, and as a proponent of the women's suffrage movement. Eureka admitted black students and female students at a time when many other colleges would not do so.

Campus leaders long have taken pride in Eureka's most famous graduate, but they give equal emphasis to the belief that Reagan wasn't an anomaly, but rather a product, of the Eureka tradition and culture, said Sajko, who is founding curator of the campus's Reagan Museum.

"Having someone become president wasn't an accident. Eureka's always creating this kind of strong leader," said Sajko.

Or as Eureka College President David Arnold explained about what the Reagan centennial year will mean on campus: "It will be a year of great pride in terms of Eureka's contributions to leadership. But Reagan is just the tip of the iceberg."

The college has graduated one U.S. president, three governors, four congressmen and more than 40 college presidents.