

Hogan's contract includes tenure, country clubs, condo in Chicago

BY MELISSA SILVERBERG
EDITOR-IN-CHIEF

Incoming University president Michael Hogan has officially signed his contract for employment at UI, and his term begins Thursday. Most details of his contract have already been released.

The contract is valid through June 30, 2015, and will pay him a base salary of \$620,000. Former president B. Joseph White was paid a base salary of \$450,000. Hogan will also receive a \$45,000 bonus to make up for incentives he would have received if he hadn't left the University of Connecticut.

Hogan will rank approximately 77th in the country in terms of executive compensation, according to University spokesman Tom Hardy.

Among the Big Ten, Hogan's total compensation ranks fourth behind Ohio State, Michigan and Penn State.

Other perks in the contract include a house in Urbana, a condo in Chicago and a University car and driver for all UI-related travel. He will also be reimbursed for all moving expenses and given memberships at country clubs in both Chicago and Champaign. Hogan will be provided with up to six tickets for artistic, cultural and athletic events at the University— for either business or personal use, according to this contract.

Hogan also will receive a faculty appointment as a professor of history on the Urbana campus, with tenure.

"If he leaves the presidency and returns to the faculty, his faculty salary will be equal to the average of the 10 highest salaries of the University faculty, excluding the colleges of medicine and dentistry," according to the contract.

The contract also outlines several different ways Hogan's position as UI president may be terminated. These include in the case of his resignation, the expiration of the contract without renewal, Hogan's death or mental/physical inability to perform his job.

He may also be removed from his job "without cause," yet he would need to be provided with 30 days notice and severance pay equal to one year base salary.

Hogan will be the 17th president of the University and will be replacing interim-president Stanley Ikenberry, who was filling in after White's resignation in September.



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Our Opinion: There's no reason to 'rethink' new FOIA

THE STATE JOURNAL-REGISTER

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For decades, government bodies across Illinois became adept at using the Illinois Freedom of Information Act as a handy tool for withholding information from the public.

Until Dec. 31, 2009, the law originally intended to be a window into government was used more as a dead-bolted door to lock out the public. Just about any public request for documents and information could be denied or delayed infinitely based on numerous exemptions and loopholes deftly exploited by public bodies. Plus, the old law contained virtually no consequences for public bodies that ignored it.

That changed on Jan. 1, when the state's new Freedom of Information Act went into effect. The law is intended to tilt the balance in favor of citizens seeking information. It eliminates broad and convenient exemptions, places reasonable time limits on fulfilling requests and establishes punishments for government bodies who disregard the law. It also gives the Illinois Attorney General's Office real authority to mitigate disputes and enforce the law.

More than anything, the new law represents a striking change in culture regarding open government in Illinois. Where it had long been assumed that the law favors a public body's need to keep information secret, the opposite is now true.

And guess what? A lot of public bodies don't like it one bit.

The attorney general's office has a backlog of nearly 600 freedom of information cases since the new, improved law went into effect. It has received more than 2,300 requests from public bodies and individuals seeking information and documents under the new law.

We're not surprised in the least. Public bodies and their lawyers who are accustomed to denying public requests are not going to change their habits overnight. And with no state case law to support the new law, some delays are to be expected.

From our perspective, this is proof that the new law is working. Eventually, government officials will learn that the vast majority of these requests need not be delayed by seeking a ruling from the attorney general.

"I never expected this law, and I never expect any law, to be the silver bullet solution to a problem. Legislation is never the only answer," Cara Smith, public access counselor for Attorney General Lisa Madigan and one of the architects of the new law, told The State Journal-Register editorial board last week. "It sets the framework for how we go about improving open government in Illinois, but it's a process."

Also unsurprising to us is that the Illinois Municipal League, the chief opponent of the new law even as it was being written, believes the backlog is evidence of the law's failure.

"Clearly, we have to rethink some of the revisions to this, quote, FOIA rewrite," said Roger Huebner, the Illinois Municipal League's lawyer.

Sorry, but we disagree. What needs to be revised is the attitude among many public bodies in Illinois that providing information to the public is a hassle; that it's more convenient to deny requests than to grant them; that their right to withhold information trumps the public's right to know how its government operates.

Smith last week recounted addressing a group of municipal lawyers skeptical of the new law.

"They got up and started saying this is horribly complicated," Smith recalled. "And I got up (and said), 'All of you people have a vested interest in making this as complicated as possible because the more you scare the public body and the more you reinforce that, my God, if you get it wrong, you can get fined. ... Well, they're terrified. So the simplest request is going to result in a call to the lawyer.'"

Our point exactly. It will take time for a culture favoring disclosure to take hold in Illinois. Growing pains — like the current backlog of cases at the attorney general's office — are to be expected. That's not a reason to "rethink" the new law, as the Illinois Municipal League would prefer. It's solid evidence that the public is now using the law as it is intended.

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College: Big Investment, Paltry Return

The value of a college degree is a middle-class article of faith. But exclusive new research suggests it may be far less than previously thought

By Francesca Di Meglio

If there's one truism that goes virtually unchallenged these days, it's that a college degree has great value. Beyond the great books, beyond the critical reasoning skills, and beyond the experience itself, there's another way that a college degree has value: Over the course of a working life, college graduates earn more than high school graduates. Over the past decade, research estimates have pegged that figure at \$900,000, \$1.2 million, and \$1.6 million.

But new research suggests that the monetary value of a college degree may be vastly overblown. According to a study conducted by PayScale for *Bloomberg Businessweek*, the value of a college degree may be a lot closer to \$400,000 over 30 years and varies wildly from school to school. According to the PayScale study, the number of schools that actually make good on the estimates of the earlier research is vanishingly small. There are only 17 schools in the study whose graduates can expect to recoup the cost of their education and out-earn a high school graduate by \$1.2 million, including four where they can do so to the tune of \$1.6 million. At more than 500 other schools, the return on investment, or ROI, is less—sometimes far less. College, says Al Lee, director of quantitative analysis at PayScale, "is not the million-dollar slam dunk people talk about."

The top of the list was dominated by elite private universities, with the Massachusetts Institute of Technology taking the top spot. Its net 30-year ROI of nearly \$1.7 million makes it the most valuable undergraduate degree in the nation. The large number of MIT students who enter such high-paying fields as engineering and computer science certainly helped, but the school's advantages go well beyond that, says Melanie Parker, executive director for global education and career development at MIT. "All the students at MIT, regardless of their major, take a strong core curriculum, which exposes them to more in-depth science and math than students at most other programs," Parker says. "Employers look for any major from MIT, because our students are prepared for almost anything."

A TASTE OF THE RANKING

The next best education bargain was California Institute of Technology in Pasadena, Calif., where students out-earned high school grads by about \$1.6 million, followed by Harvard University in Cambridge, Mass.; Harvey Mudd College in Claremont, Calif.; and Dartmouth College in Hanover, N.H. For the complete ranking, and an in-depth explanation of the methodology, check out our [interactive table](#)

The new research is based on self-reported compensation data collected through PayScale's online pay comparison tools. PayScale examined pay reports from 1.4 million graduates of U.S. colleges and universities with no advanced degrees to calculate the ROI of each school. One reason the PayScale study resulted in a far lower estimate of the ROI on a college education is the way it calculated college costs. Instead of assuming everyone graduates in four years, as some do, PayScale used the actual number of years it takes students to

graduate from each institution—4, 5, or 6 years. Another reason for PayScale's far lower ROI estimate is that it accounts for the fact that many students never graduate—and go on to earn little more than a high school graduate. For them, the ROI on their college education is effectively zero.

Of the two, graduation rates had a far bigger impact on ROI. Of the 554 schools in the study, the net ROI—for graduates only—was \$627,239. But once adjusted for the average six-year graduation rate of 58 percent, the average overall net ROI shrank by 37 percent, to \$393,574. Schools with the worst graduation rates—at some schools, fewer than 20 percent of students graduated in six years—fared even worse in the PayScale analysis. "Some universities are getting paid to have people show up, take a class, and flunk out," says Lee. "If you bought cars, and half the cars didn't work within the first six months, and you couldn't get your money back, people would be pretty outraged."

COMPLAINTS ABOUT DATA ANALYSIS

Schools that performed poorly in the PayScale analysis took issue with the methodology. Among the complaints: PayScale based the study on a small, self-selecting sample of alumni from each school—on average, about 1,000—and failed to consider financial aid, which would have reduced total college costs and improved ROI for all schools. One school that argued in favor of incorporating financial aid in the calculations was Philadelphia University, which had a 30-year net return on investment of \$218,000. Using the school's average financial aid award and more recent graduation rate, the 30-year net ROI would be \$276,000.

Other schools said the methodology also failed to account for the intangible benefits of a college education, including the benefits to society. "If monetary Return on Investment (ROI) were the main purpose of education, most of us would make different career decisions," wrote Pat Pike, interim provost and vice-provost for education at Biola University in LaMirada, Calif., in an e-mail. "Biola's education is not primarily about money. If you calculated the ROI [to] society of a Biola education, compared with the average, it would be huge. "

While private schools dominated the top of the list, public schools proved to be far better value overall, at least for in-state students. Because of the lower costs paid by in-state students—\$82,301 compared with \$126,933 for out-of-state students at public institutions and \$170,219 for students at private schools—they enjoyed the best net annualized ROI: 9.7 percent. The worst deal: paying out-of-state tuition at a public university. Doing so results in an average annualized net ROI of 8.4 percent. Private schools yielded a net annualized return of 9.1 percent.

CREDENTIAL INFLATION

Individual schools fared well, or poorly, for many reasons. At Skidmore, the elite private liberal arts college in Saratoga Springs, N.Y., that was an all-women's school until 1971, lower salaries for women, who make up a disproportionate share of its alumni base, contributed to lower overall earnings for graduates. The result was a 30-year net ROI of \$325,700, placing it at the 58th percentile for all private schools in the study. "If Skidmore's net ROI were based on alumni earnings since 1990 rather than 1980, it would be \$150,000 higher," said Dan Forbush, a Skidmore spokesperson, in an e-mail. Other schools paid a price for a focus on the liberal arts, teaching, or other academic specialties that produce many graduates who pursue careers in low-paying occupations. Such schools as Harvey Mudd, most of whose graduates go into careers in engineering and science, have something of an unfair advantage over schools such as Lesley University, where more than 70 percent of students major in the liberal arts, visual and performing arts, public administration, and social services.

One big conclusion that can be drawn from the PayScale data is that college—and college alone—may not be

the great investment it was once thought to be. Richard Vedder, director of the Center for College Affordability & Productivity in Washington, D.C., notes that with the college-educated accounting for a larger percentage of Americans, the bachelor's degree has been devalued, and its ROI has taken a hit. "We have credential inflation in America. A college degree has become mundane and ordinary," Vedder said. "We used to send kids to college to become lawyers and doctors. Now we send them to college to work at Walmart."

A. Jordan, who graduated with a degree in political science from the University of North Carolina in Wilmington in 2008, knows about the devaluing of the college degree all too well. As a stewardess in the private yachting industry with nothing but a high school diploma, she says she earned triple what she's making now in her administrative support job in Winston-Salem. She's making so little money with a college degree, she's considering returning to school for her master's. "Philosophy, political science, and other degrees of that nature are not giving you concrete skills," Jordan wrote in an e-mail. She declined to use her full name, citing possible career repercussions.

THE PROFESSIONAL ADVANTAGE

Advanced and professional degrees, however, may be a bigger differentiator in the labor market, with bigger payoffs. According to a June 15 study by the Georgetown University Center on Education & the Workforce, the gross lifetime earnings for someone with a professional degree is nearly \$4.7 million, about \$3.5 million more than a high school dropout earns. "The increased earning power conferred by postsecondary education and training is both tangible and lucrative over a worker's lifetime," says Nicole Smith, senior economist with the center.

Another conclusion suggested by the PayScale data is that brands matter, and cutting corners on a college education doesn't pay. The top of the list is dominated by such well-known schools as Princeton, Yale, Duke, and Amherst, and five of the top 10 are Ivy League institutions, where 30-year net returns on investment averaged nearly \$1.4 million. One possible reason that such schools fare well in an ROI analysis is that they educate the wealthiest part of the population, says Jack Maguire, an educational consultant and former dean of admissions at Boston College. Wealthier families produce children with higher SAT scores who are more successful in gaining admission to highly selective schools. After graduation, family wealth confers a great career edge, as well, with many graduates taking advantage of family connections to land top jobs. Says Maguire: "It's kind of a self-fulfilling prophesy."

Students who made an investment in higher education at the schools at the top of the list say they got their money's worth. Ryan Pope, who studied economics at Harvard, says the experience prepared him to compete in the job market and the Harvard name resonated with employers. "I don't believe my degree helped me directly, but it gave me a better set of tools to complete my job," said Pope, a 2008 graduate who is now marketing director at 2X Software in Dallas, in an email exchange. "While I don't think I received a premium just for my degree, I think my employers hopefully saw [it] as a sign that I was serious about my work and would strive to succeed against tough requirements and deadlines."

LAGGING THE STOCK MARKET

For many, the very notion of a financial return on investment misses the point of higher education entirely. Scott Jaschik, editor of Inside Higher Ed, a website that covers news of colleges and universities, says the return on a liberal arts education goes well beyond dollars and cents, and students who major in liberal arts aren't in it for the money. "People who major in history tend to think, 'I'd like to get a well-rounded education that will help me in many fields,'" says Jaschik, a history major himself. "I don't think philosophy and poetry majors are there

because it's going to make them rich."

Maybe not, but most students expect, if not riches, then at least a comfortable life. And according to PayScale's Lee, if they're enrolled at many of the schools on the list, they will be bitterly disappointed. Over the past 30 years, the S&P 500 Index averaged about 11 percent a year. Only 88 schools out of the 554 in the study had a better return than the S&P. Everywhere else, students would have been better off—financially, at least—if they invested the money they spent on their college educations and never set foot in a classroom.

"For almost every school on the list," writes Lee in an e-mail, "prospective students paying full price would probably have been better off investing in the stock market 30 years ago rather than spending their money on a college education."

Di Meglio is a reporter for Businessweek.com in Fort Lee, N.J.



News

Sharing Risk, Sharing Reward

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For such a mundane undertaking, reforming a campus's back-office information system can be an expensive and risky prospect for a university CIO.

Larry Conrad knows this. Back when he was the chief information officer at Florida State University, Conrad remembers being called into the president's office as he was about to preside over the implementation of a new information system -- known as an enterprise resource planning system, or ERP.

"He said, 'If a project like this goes bad, you know what happens, right?'" Conrad remembers. "I said, 'Yes: the CIO gets fired.' And he says, 'All right, as long as we're on the same page.'"

With those stakes, one might expect that Conrad would take a conservative tack last year when his new employer, the University of North Carolina at Chapel Hill, decided to install a new ERP to manage its human resources, payroll and finances operations. But at a time when North Carolina, like many other states, is cutting funding to its public universities, Conrad decided to try to go a novel route -- one that he thinks could halve the estimated \$10 million cost of switching over to the new system.

In order to do it, though, Conrad would have to join forces with the enemy: North Carolina State University.

OK, maybe that's a little dramatic. But when it comes to recruitment, grants and basketball games, it can be rare to see Chapel Hill reach out to NC State with an unclenched fist.

Three things were different in this case: First, back-office information systems are not major differentiators between institutions; as Conrad puts it, "A faculty member, or a student, or a grant committee is not going to choose one university over another because of a great information system." Second, tangible savings trumps an intangible rivalry when the budget is tight.

Third, Conrad's counterpart at NC State happened to be one of his closest friends; Marc Hoit, the CIO at State, served in the top technology post at the University of Florida when Conrad was technology chief at Florida State. The two had collaborated on several projects, including one to connect Florida's public universities and community colleges to the same high-speed internet backbone -- a project that cut the cost to each institution in half while improving Internet speed by a factor of 10.

Now Conrad and Hoit, by combining their ERP systems that govern human resources, payroll, and finances, think they can spare themselves the trouble of hiring 40 new staff between them. (Chapel Hill would have needed to hire 60 or 70 additional staff to run its new ERP alone, but sharing responsibilities with State would eliminate the need for 40 of those.)

That could save them a combined \$3 million or more every year on staff, says Conrad, estimating roughly. Exactly how the two institutions will divvy staff savings has not been determined yet, he says, but the two CIOs say they plan to do so as equitably as possible.

The need for institutions to collaborate on technology is rising, says Conrad. A 2009 survey by the Campus Computing Project revealed that information technology budgets, like many others in higher education, were facing cuts. At the same time, demand for better IT tools is still rising, and those tools are often very expensive, says Conrad. Some colleges spend up to \$200 million

revamping their ERP systems, he says.

"You need to get a pretty good return to make that a good investment," says Conrad. Overhauling information systems "sometimes costs more than the savings you get," he says.

However, the savings are more likely to exceed the cost if systems are implemented at scale, says Hoit. Some state systems have consolidated technology investments, Conrad adds, but such collaborations are most often mandated from the top; voluntary partnerships between institutions that have not been instructed to form them are still relatively uncommon.

Large universities that have similar accounting practices and financial reporting guidelines -- state universities, for example -- can be particularly amenable to such alliances, the CIOs say. With institutions increasingly using electronic data systems and high-speed networks, splitting bureaucratic functions does not require common workspaces or filing cabinets; it takes two or more institutions that have similar data-management protocols and officials who are willing to work together.

Chancellors from both Chapel Hill and NC State last week told *Inside Higher Ed* they were not sure the universities could have agreed to do the collaboration if Conrad and Hoit had not been friends. The two CIOs say they don't know about that, but it certainly did make things easier.

After all, says Conrad, when the CIO's job might be riding on a successful ERP renovation, it takes a lot of trust to put half of it in someone else's hands.

"Can you only do it if the CIOs are long-term friends? No," he says. "But it does underscore that this is about trust.... There's a certain level of betting your job on this. You can't do this with someone you don't trust."

— Steve Kolowich

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Colleges Will Need to Take a Broader View of Discrimination, Campus Lawyers Say

By *Eric Kelderman*

Washington

The nation's shifting racial demographics and the growing number of government regulations will force colleges to consider issues of discrimination more broadly than in the past, say higher-education legal experts from across the country who are meeting here this week.

And those trends present a growing challenge to colleges as they seek to balance the shifting needs of students and society against the limited resources of their institutions, they say.

Lawyers representing colleges and private practices that specialize in higher education are here for the annual conference of the National Association of College and University Attorneys, which is marking its 50th anniversary.

That milestone places the association's founding just a few years after the U.S. Supreme Court's landmark 1954 decision, in *Brown v. Board of Education*, that required colleges and schools to desegregate. And since that ruling, the history of higher-education law has been inextricably linked to the nation's civil-rights movement, said Robert M. O'Neil, director of the Thomas Jefferson Center for the Protection of Free Expression in Charlottesville, Va.

In his speech opening the conference, Mr. O'Neil said racial diversity will be one of the major issues higher education will confront as the nation's nonwhite minority groups grow to constitute a multihued majority.

Other speakers at the conference said colleges are finding new justifications for emphasizing diversity even as they face increasing pressure to ensure equitable treatment not only for those of all races and genders, the traditional measures, but also for those of varying sexual identities and persons with learning disabilities.

A Question of Self-Interest

"The vision has changed with regards to diversity," said Jonathan Alger, senior vice president and general counsel at Rutgers

University. In the past, racial diversity began as a mandate only of civil-rights laws, he said, but now economic experts argue that diversity is necessary for institutional success.

But the demand to meet the needs of a wider spectrum of student types and abilities can bring legal and financial risks to the institutions, Mr. Alger said, in the form of costly, frivolous lawsuits.

Laura Rothstein, a professor at the Louis D. Brandeis School of Law at the University of Louisville, said one expanding group in that spectrum is college students who have had accommodations for learning disabilities in elementary or secondary schools under the federal Individuals with Disabilities Education Act.

Those students arrive at college expecting similar academic accommodations, she said, but the federal law that governs special education does not place the same requirements on postsecondary institutions.

More troubling for the institutions is the growing body of federal regulations under the federal Americans With Disabilities Act, which was first passed in 1990 and then amended in 2008 to expand the meaning of what constitutes a disability.

New requirements under the amended law could expand colleges' obligations to accommodate the use of service animals, such as dogs to help the blind, or even add a wide range of pets that are allowed in campus buildings to provide emotional comfort, Ms. Rothstein said.

Federal officials who spoke to the college lawyers said they are also broadening their views of how to prevent discrimination, in part because of support from President Obama.

After years of shrinking budgets and staff, the U.S. Equal Employment Opportunity Commission, which enforces federal antidiscrimination employment laws, has added 300 staff members, said Stuart J. Ishimaru, a commissioner and former acting chairman of the agency.

President Obama appointed key leaders to the commission with the intention of setting it on a more aggressive mission to root out systemic workplace discrimination, Mr. Ishimaru said.

John L. Wodatch, chief of the Disability Rights Section at the Department of Justice, said that President Obama had encouraged his office with the "message that the civil-rights division was open for business."

In addition to working on new regulations for the disabilities act,

the department is looking at issues of accessibility for new learning technologies and online classes, Mr. Wodatch said.

Another important area for higher education is helping veterans who are returning to the classroom with a wide new variety of disabilities, including post-traumatic stress disorder and brain injuries, he said.

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