

Higher Education News for January 2008

Study-Abroad Programs Are Under Scrutiny at 15 Colleges and Universities

(source: <http://chronicle.com/news/article/3783/study-abroad-programs-are-under-scrutiny-at-15-colleges-and-universities>)

After months of relative silence about its investigation into potential sweetheart deals between colleges and study-abroad providers, the office of Andrew M. Cuomo, New York State's attorney general, has begun identifying institutions it wants more information from and the type of information it is seeking.

The probe began last August, with subpoenas to companies that provide overseas programs, but little more was heard of the investigation until *The Chronicle* learned late last week that at least one institution, Alfred University, had been subpoenaed by Mr. Cuomo's office. A lawyer in the office told *The New York Times* in an article published this morning that 14 other institutions, including Brown, Columbia, and Harvard Universities, had also received subpoenas and requests for documents. The article named 11 of the 15 institutions.

Later today, the Associated Press identified all 15, based on information from Benjamin Lawsky, deputy counselor and special assistant to Mr. Cuomo. Besides Alfred, Brown, Columbia, and Harvard, he said, those institutions are American, Brandeis, Cornell, Fordham, Northwestern, and Pace Universities; the College of New Rochelle; Hobart and William Smith Colleges; Manhattanville College; Siena College; and the State University of New York College of Technology at Alfred.

Mr. Lawsky told the AP that investigators wanted to know how the institutions chose their study-abroad programs and whether the colleges or individual administrators had received any perks from the program providers. The office is also interested in colleges that use only one study-abroad company to arrange trips, Mr. Lawsky said. In those cases, investigators want to know if there is only one provider "because they're the best, the cheapest, the most cost-effective," he said to the AP, "or because there's a cozy financial relationship with the school and those who work at the school."

"At the end of the day," Mr. Lawsky said, "the people who get harmed the most by conflicts of interest on campus are middle-class students and their families who really can't afford to pay extra for these services while the schools reap the benefits."

Officials of several of the colleges and universities contacted by the attorney general told *The Chronicle* that they would cooperate with Mr. Cuomo's request. Mr. Cuomo's office was closed for the holiday.

In a written statement on the Web site of Alfred University, Charles M. Edmondson, that institution's president, acknowledged that Alfred had received a subpoena requiring it to submit "the bulk of its records on international educational programs for 2005 and 2006." He emphasized, however, that there had been no allegations of "any illegal actions involving international programs by Alfred employees" and that "the subpoena identified no individuals, no practices or acts, and no specific programs that might be under scrutiny."

State Appropriations Are Up ... for Now

(source: <http://www.insidehighered.com/news/2008/01/11/grapevine>)

If you work at a public college or university, and it seems like budgets have been a little looser or raises a little more generous this year or last, don't get used to it. State appropriations for higher education are indeed healthy for the 2008 fiscal year, up 7.5 percent, the largest percentage increase in a decade, according to a report being released today by the Center for the Study of Education Policy, at Illinois State University. But other studies released in the last month — not to mention grim budget forecasts in such states as California — suggest that this may be a peak year in terms of state support going up.

Total state support for higher education this year is currently projected to be \$77,504,009,000, according to the study. That figure is based on state operating support, so it excludes funds for facilities, or funds that are provided by students through tuition. The Illinois State study — which includes state by state totals, many of which include individual colleges — is considered the definitive analysis of what states are spending on higher education.

Over the last decade, the percentage change in total state support has fallen as low as a 2.1 percent decrease, but has been creeping back up. State appropriations levels for higher education reflect many factors. But with many states having increasing percentages of their budgets set aside for various items (typically not higher education), it becomes unlikely that public colleges will receive substantial increases in years that the total budget picture isn't healthy.

“Nobody knows for sure, but I would predict that this is probably the calm before the storm,” said James C. Palmer, who directs the research project at Illinois State. “I think the uptick we saw in '08 nationwide indicates that at the end of fiscal '07, the fiscal engines of many states had just enough oomph in them to increase higher education appropriations and allow higher ed to some extent to climb out of the recession we experienced earlier in the decade.”

Evidence abounds that tighter times are ahead. A study by the National Governors Association and the National Association of State Budget Officers warns of “significant deterioration” of state budgets. Similar projections were released by the National Conference of State Legislatures. Kentucky is already cutting budgets for colleges (and other state entities) and higher education leaders fear worse cuts for the next fiscal year, *The Lexington Herald-Leader* reported.

In California, the news was bad on Thursday for next year's higher education budget. While materials released by Gov. Arnold Schwarzenegger suggested that more money would be going to higher education, university officials said that the governor was actually seeking to cut more than \$1 billion from their budgets and those of community colleges. University officials were releasing statements of concern about the budget plan — but it remains a long way from being enacted.

This year's totals have a clear regional tilt, with the percentage increases in the Southwest and Rocky Mountain states at twice the rate for New England or the Mid-Atlantic states. Over a two-year period, however, the Southeast saw the most growth, and the Great Lakes states the least.

American Council on Education Names Molly Broad as President

(source: <http://chronicle.com/daily/2008/01/1236n.htm>)

Molly Corbett Broad, who orchestrated sweeping changes to the tradition-bound University of North Carolina system during her recent nine-year tenure there, was named president of the American Council on Education on Tuesday. Ms. Broad, who will succeed David Ward on May 1, will be the first woman to lead the nation's top higher-education group since it was founded in 1918.

An economist by training, Ms. Broad is known as a modernizer who isn't afraid to challenge conventional wisdom and ruffle some feathers. While serving as the University of North Carolina system president from 1997 to 2006, she touched the third rails of higher-education affirmative action and tuition pricing and came out on top. But she is also known as a sweet-talking diplomat, a charmer who leads by persuasion rather than force.

Her appointment comes at a time of transition for ACE, an umbrella organization that has been quietly changing the way it relates to other higher-education associations. While ACE is still known as a consensus builder and convener, it has begun to stake out some policy positions of its own when agreement among the associations can't be reached. It's unclear whether Ms. Broad was hired to steer the council back toward its traditional role or to chart a new course for the organization. But what is known is that the association sees her as someone who can bring together the sometimes divided public- and private-college sectors.

In a conference call with reporters to introduce Ms. Broad, Ricardo R. Fernandez, chairman of the council's Board of Directors, emphasized her experience working at both public and private institutions (she started her career at Syracuse University). "She is someone that can truly represent the voice of higher education in a unifying way," said Mr. Fernandez, who is also president of Lehman College of the City University of New York.

Ms. Broad wouldn't comment on any changes she planned to make, saying, "Sitting here in North Carolina is profoundly different than being on the ground" in her future role as ACE president. But she said she believed strongly "in the strength of a strategy that collects and combines, rather than divides and conquers."

"The issues, the values, and the priorities that we have in common in American higher education so far exceed the issues that divide us that it seems to me imperative that we use our very best skills to build a working consensus," she said in response to a question from *The Chronicle* during the news conference.

Before she became president of the North Carolina system, Ms. Broad served as executive vice chancellor and chief operating officer of the California State University system and chief executive officer for Arizona's three-campus university system. She also held various administrative posts at Syracuse University, including vice president for government and corporate relations. Since leaving the university, she has served as a professor of government at the University of North Carolina at Chapel Hill.

Georgia System's Investigation of Purchasing-Card Fraud Finds \$350,000 Theft

(source: <http://chronicle.com/news/article/3781/georgia-systems-investigation-of-purchasing-card-fraud-finds-350000-theft>)

An unnamed official at the Georgia Institute of Technology used a university purchasing card to steal as much as \$350,000 over a six-year period, *The Atlanta Journal-Constitution* reported today. The allegations are among 18 cases of fraud turned up in an investigation into the use and abuse of the cards — known as “p-cards” because of their use to streamline purchasing — by employees of the University System of Georgia. Twelve of the 18 cases involved Georgia Tech employees. Some 20,000 state workers over all use the cards in the \$350-million-a-year program. A state audit last year found that the program operated with little oversight and was easily abused. A dozen college employees have quit or been dismissed as a result of findings by the investigation, which continues.

New President of Student-Aid Officials' Group Wants to Help It Repair Its Reputation

(source: <http://chronicle.com/daily/2008/01/1185n.htm>)

Almost 30 years ago, a *Chronicle* article described the National Association of Student Financial Aid Administrators as the most powerful higher-education lobbying group in Washington. Today not even the association's new president would use that superlative. While Nasfaa, which represents financial-aid professionals, remains respected for its technical expertise, its influence on Capitol Hill has waned. Stung by last year's student-loan scandal, it is struggling to repair its reputation while reasserting itself in national policy debates.

Now the association's first new president in more than three decades is on a mission to restore the group's former prominence. Philip R. Day, who takes over for Dallas Martin in March, says he wants Nasfaa to rethink its relationships with lenders and re-establish itself as the premier advocacy organization for student financial aid. "People have been wondering where we are," said Mr. Day, now chancellor of the City College of San Francisco, in an interview this month. "We need to ramp it up."

But some lobbyists say change won't come easily at an association that has had the same leader for 32 years. Many of Nasfaa's employees and members have worked only with Mr. Martin, and it is unclear whether they will embrace an outsider like Mr. Day, who has led four community colleges but never worked in a student-aid office. Others wonder whether the association will have the resources necessary to expand its lobbying. The group has been operating under a smaller budget since it scaled back lender sponsorships in response to pressure from Attorney General Andrew M. Cuomo, of New York, whose investigation into conflicts of interest in the student-loan industry led to the firing or resignation of six student-aid administrators.

Still, most everyone agrees that Mr. Day will bring energy and a fresh perspective to Nasfaa, which has long been led by former financial-aid officials. "It's sort of a new era for Nasfaa," said Becky Timmons, assistant vice president for government relations at the American Council on Education.

In the wake of last year's investigation, Nasfaa has already cut some ties with the embattled student-loan industry, adopting ethical guidelines that ended lender sponsorship of social events

and meetings at the association's annual conference and cost Nasfaa \$80,000 in revenue. Lenders continue to be allowed to pay for sessions promoting their products to conference attendees. Lenders can also be members of Nasfaa, though they don't have voting rights and cannot sit on its policy-making committees. Lenders now make up 2 percent of Nasfaa's membership and provided \$162,400, or 4.4 percent, of its revenue from membership dues in 2007.

Critics say Nasfaa should do more to distance itself from lenders, and Mr. Day agrees. "We've taken a hit on this, and it's made us wary, and when that happens, you reassess," Mr. Day said. But now, Nasfaa has adopted a "code of conduct" that eliminates virtually any gifts by lenders to financial-aid administrators, and requires that any donations by lenders to Nasfaa are listed without publicly identifying the amount, he said.

In some ways, the decline of Nasfaa's influence in Washington reflects the general struggles of many higher-education groups, which are having a harder time making their voices heard on Capitol Hill, several Washington lobbyists said. "Increasingly, it seems that Congress just marches to the beat of its own drummer," said Patricia Smith, policy scholar in residence at the American Association of State Colleges and Universities, who has worked in Washington for 30 years.

Yale Expands Aid Programs

(source: <http://www.insidehighered.com/news/2008/01/15/qt>)

Ever since Harvard University announced a major expansion of its aid programs, Yale University has been promising that it would soon release its own initiative. On Monday, the university announced its expansion, which is in many ways similar to Harvard's in that students from families with incomes under \$60,000 will effectively pay nothing, while those eligible for aid will pay gradually increasing percentages of their income, up to 10 percent. While the Harvard aid would generally disappear at family income levels of \$180,000, Yale went even higher — to \$200,000. Yale also announced a modest tuition increase for next year — 2.2 percent — or about the projected inflation rate. While Harvard and Yale's moves have received widespread praise, the Project on Student Debt is trying to discourage other colleges from helping those with six-figure incomes until they do a better job of helping those with minimal incomes. The project also released an analysis of the recent round of "no loan" pledges made by colleges and universities.

Student Voting

(source: <http://www.insidehighered.com/news/2008/01/09/qt>)

Student turnout was apparently up — and favored Barack Obama — in New Hampshire's primary Tuesday. Among eligible voters under the age of 30, 37 percent voted, an increase from 18 percent in 2004 and 28 percent in 2000, according to data from the Center for Information & Research on Civic Learning & Engagement, a nonpartisan group. In both the Democratic and Republican races, candidates who lost the primary showed their support with younger voters, according to exit polls from *The New York Times*. While Obama won 37 percent of the vote overall, he was backed by 60 percent of voters aged 18-24. On the Republican side, Ron Paul came in fifth overall, but in the 18-24 demographic, he came in second, according to the *Times* poll.

Higher Education Act

(source: <http://www.insidehighered.com/news/2008/01/11/qt>)

The association of State Higher Education Executive Officers is urging members of Congress to abandon language in pending House and Senate legislation to extend the Higher Education Act that would impose a set of new requirements aimed at limiting colleges' tuition increases and producing more information about how they set their prices. In a letter to House and Senate leaders, the state higher education leaders call for replacing the current language with a directive to the Education Department to add data on colleges' "net price" to the information it collects through the annual Integrated Postsecondary Education Data System, and "publish a consolidated report that compares similar institutions on key dimensions of college costs." The group argues that its approach would produce lawmakers' desired effect without being "cumbersome" and "potentially unfair" as the Congressional plan would be.