



HIGHER EDUCATION CLIPS

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Pension dilemma idea has merit Will Rendell buy it?

By RICHARD C. DREYFUSS

Pennsylvania's public employee pension plans are facing a looming financial crisis. Regardless of how one looks at the current situation, our policymakers must confront a serious dilemma.

Taxpayer costs to fund the State Employees Retirement System (SERS) and the Public School Employees Retirement System (PSERS) are expected to increase in six years from about \$1 Billion next year to close to \$4.2 Billion in 2012 — and that's only if the actuarial value of assets earns 8.5 percent annually. Returns that are more favorable, of course, would decrease future costs just as the reverse holds true.

So what can policymakers do to avert this coming financial crisis — other than hope for superior financial performance to continue into the foreseeable future?

The first step is to remind our state policymakers (those who designed these taxpayer-funded pension plans) to go back to the basics of Pension 101. There are only three ways to grow assets: 1) Increase employee contributions, 2) Increase taxpayer contributions, or 3) Increase investment earnings. Significant increases in any of these inputs could solve the looming pension crisis.



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More from employees? Not legal

The first option lawmakers could consider is to increase employee contributions, as well as prohibit employees from withdrawing all of their accumulated contributions from the plans at retirement (which virtually everyone does). Employee contributions are reasonably significant, relative to the total pension plan assets, and every little bit would help.

However, according to PSERS board member and State Rep. Steve Nickol, the pension problem in Pennsylvania cannot be averted by raising employee contributions, or by reducing pension benefits, because courts have ruled both of those measures illegal.

The second option is to increase taxpayer contributions significantly. This tends to be the universal solution to many problems within government — and it is the likely solution to the coming crisis if nothing is done to avert it. In fact, even as property tax reform bills bounce around the Capitol, many lawmakers are working to ensure that pension costs are excluded from any taxpayer control. Doing so would allow unlimited property tax increases to pay for these pension liabilities.

Another related alternative is to start increasing the taxpayer contributions now so that the sticker shock of the taxpayer contribution amount in 2012 is muted. This seems to be the preferred approach of many in state government. In other words, start paying more now instead of waiting until later. Of course, this only spreads out the pain, it doesn't relieve it.

The third option is to increase investment earnings. It's simple: Harrisburg passes a law mandating the PSERS and SERS must earn at least 20 percent return on investment per year, every year. This, of course, is nonsense.

What, then, should state government do when all three options are unreasonable, impractical, or prohibited?

A fourth, and better, option

Gov. Rendell's budget secretary, Michael Masch, proposed a fourth way; one that actually has some promise. He said he supports caps on employer (taxpayer) contributions that would prevent the state and school districts from paying exorbitant amounts toward pensions. This would keep the state's pension promises to employees, but also start to protect the taxpayers from skyrocketing taxes.

Additionally, Masch said he would require taxpayers to continue contributing at constant rates even when PSERS and SERS's assets performed well. Not necessarily a bad thing. But where would that leave us? Actually, it would do exactly what nearly every major corporation in America is starting to do — move toward a "defined contribution" retirement plan where employer (taxpayer) costs are capped and predictable.

Unfortunately, this doesn't solve the looming crisis, but it would certainly put Pennsylvania on the path toward good financial health. Now all Mr. Masch has to do is sell the solution to his boss.

Richard C. Dreyfuss is a senior fellow with the Commonwealth Foundation, Harrisburg.

Bills would ease public college credit transfers

By MARTHA RAFFAELE

AP Education Writer

HARRISBURG — State lawmakers want to make it easier for students at Pennsylvania's community colleges and public universities to transfer credits between schools — saving time and money toward finishing their degrees.

Nearly identical bills that have been introduced in the House and Senate call for public two-year and four-year schools to establish a statewide system for students to transfer credits they have earned in core academic courses. The measures would apply to the state's 14 community colleges, 14 state-owned universities, and four "state-related" universities — Penn State, Temple, Pitt and Lincoln.



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The legislation would make participation optional for private colleges and universities.

Repeated courses

The Senate bill, sponsored by Senate Education Committee Chairman James Rhoades, would require the state to devise a transfer plan if the schools do not create one by June 30, 2007.

Rhoades, who presided over a public hearing on his bill Wednesday, said such a system would eliminate the frustrations of transfer students who must repeat courses because their new school will not accept all of their credits. Currently, each college defines which transfer credits it will accept from other schools under agreements it signs with those institutions.

Rhoades conceded, however, that evidence of the problem is largely anecdotal.

"All of our offices, be they House or Senate members, when something like this occurs, (students) call us up: 'What can you do about it?'" said Rhoades, R-Schuylkill. "This is one of the things we should be looking at."

Opposition

Officials at the state-related universities oppose the legislation and say it would diminish the quality of their programs and their autonomy over curriculum decisions.

"Since the faculty of each institution are responsible for curriculum and for negotiating the terms of (transfer) agreements, it is difficult to imagine a scenario where there is statewide consensus on what constitutes a core curriculum," Temple University spokesman Ray Betzner said in an e-mail response later Wednesday. "Articulation agreements take time and effort to fashion, but they work."

Temple enrolls more than 3,700 transfer students a year, Betzner said.

Penn State has found that transfer students complete degrees with only three to four more credits on average — often related to a change in major — than students who enter the university as freshmen, spokesman Stephen MacCarthy said.

"There is an unproven assumption underlying this legislation that students lose a lot of credits when they transfer to another institution," MacCarthy also said in an e-mail response.

Improvement plans

Administrators at community colleges and the 14 state-owned universities in the State System of Higher Education told Rhoades they are already discussing ways to improve transfers between their respective institutions. Transfer students from community colleges account for 7,980 of the system's 107,251 students, or 7 percent.

But Montgomery County Community College's president, Karen Stout, said students need to be able to transfer from four-year to two-year schools without losing credits.

One-third of her school's new students have previously attended college, she said.

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ON THE NET

Pennsylvania Commission for Community Colleges:
<http://www.pacommunitycolleges.org>

Penn State University: <http://www.psu.edu>

Temple University: <http://www.temple.edu>

Hearings to examine academic bias claims

Wednesday, March 22, 2006

BY JAN MURPHY
Of The Patriot-News

In the months after the Sept. 11, 2001, terrorist attacks, six complaints arose from Bloomsburg University students about their professors' perceived political bias, and not a liberal anti-war bias either.

Five complained about a political cartoon posted on a professor's door that suggested America should drop an atomic bomb on Afghanistan. The sixth came from a student who didn't like a professor's decision to post an American flag on her door.

"Those were the only complaints about political bias" that arose out of the 122,761 anonymous student evaluations of Bloomsburg faculty over three years, said Kurt Smith, a philosophy professor.

"Not a single complaint was about what happened in class or a student who felt they were graded improperly because of politics," Smith said.

But state Rep. Gibson Armstrong, R-Lancaster, said political intimidation and discrimination exists in college classrooms across Pennsylvania. He said dozens of students have told him so.

"More indoctrination is taking place under the guise of education than we in the Legislature would like to see and some educators would like to admit," he said.

Armstrong wants to see how pervasive the problem is, whether universities are enforcing their policies to address bias and whether a legislative fix is warranted. That is why he pushed for the creation of a House panel last year to investigate academic freedom on public college campuses, he said.

The panel must report on its findings by June 30.

The next hearings of the House Select Committee on Academic Freedom will be held this afternoon and tomorrow morning at Millersville University. The hearings will take place at the Bolger Conference Center's Matisse Room on the Lancaster County campus.

At this point, Armstrong said it's too early to tell if a legislative remedy is needed.

Some observers expect the hearings to result in a push from conservative lawmakers for passage of an academic bill of rights, a document written by nationally known author and conservative activist David Horowitz that he claims is needed to foster intellectual diversity on campuses. This legislation has been introduced in 15 states, but none has enacted it into law.

Speaking to the House panel at a hearing in Philadelphia, Horowitz said Pennsylvania university administrators are failing to observe federal and state laws and their own policies relating to the free exchange of ideas. He said under his bill of rights, students would have the right to hear alternative views of controversial issues, and students should not have their professors be political salesman.

Critics of Horowitz's campaign maintain his intention is to force a conservative ideology into college classrooms while squelching free speech and open debate.

Smith said he worries that Horowitz's bill of rights could give students legal standing to sue professors who they disagree with or who upset them. He and others say the hearings have failed to substantiate Armstrong's claims about widespread bias.

Rep. Larry Curry, D-Montgomery, a panel member, described the committee's work as a waste of money to send legislators "tracking down nothing more than rumors."

Armstrong said some reports of bias have been unfounded. But he said he believes some incidents "likely did occur," citing a Penn State student who was an Air Force veteran and found a professor's negative comments about the war in Iraq objectionable.

Drawing attention to college policies might be one of the few positives to come out of this legislative inquiry, said Laura Statler, assistant director of governmental relations for the Association of Pennsylvania State College and University Faculties.

"Since it's been in the media, it has helped students to realize if they have a problem and have complaints, they do have a grievance procedure available to them within their university," she said. "And it should be handled within their university, not the state Legislature."

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ACADEMIC RIGHTS

Conservative activist David Horowitz is urging states to pass an academic bill of rights to prevent what he sees as students getting half the story in their classes on controversial issues. Among the rights it asserts are:

Hiring, firing, promotion or tenure decisions shall be on the basis of performance, not political or religious beliefs.

Students will be graded on their work, not their political beliefs or religion.

Professors will present a wide spectrum of intellectual views in the classroom.

Slippery Rock prof alleges gender bias

Thursday, March 23, 2006

BY JAN MURPHY

Of The Patriot-News

MILLERSVILLE - A Slippery Rock University professor yesterday aired what he said is his school's dirty laundry, and in turn, might have landed the university in hot water.

History professor Alan Levy, addressing a House panel examining academic freedom at public-funded campuses, spoke of professors falsifying credentials and departments engaging in gender-biased practices.

The House Select Committee on Academic Freedom will continue its hearing today at Millersville University. The panel yesterday heard views about whether political bias and discrimination exist in Pennsylvania's public university classrooms.

Some lawmakers suggested Levy's allegations might merit further review, particularly before state funding for next year is decided.

"The concern is the slipping of academic quality. I think we need to ask the full committee to take a look at this," said Rep. Larry Curry, D-Montgomery.

State Rep. Dan Frankel, D-Allegheny, said he found Levy's allegations disturbing, but added, "It's hard to be able to take it seriously without additional evidence."

Kenn Marshall, a spokesman for the State System of Higher Education, of which Slippery Rock is a part, said after speaking to Slippery Rock President Robert Smith, "The allegations made by Dr. Levy have been investigated, and there's been no evidence filed to substantiate his claims."

Pennsylvania has become ground zero in a nationwide campaign focused on whether universities are enforcing academic freedom policies that address bias and are ensuring intellectual diversity.

Skeptics said it is an effort to force conservative ideology into college classrooms, where studies show a preponderance of professors are left-leaning.

Several of those who testified yesterday, including a Millersville University student and the school's president, Francine McNairy, suggested legislators could find better things to do with their time. Committee Chairman Tom Stevenson, R-Allegheny, disagreed.

"The integrity of our colleges and universities are at stake," he said. "They've been under attack, and we need to find out if there is a problem or there isn't."

Levy testified that at least a half-dozen students have told him that a women's studies professor commences her classes by declaring she teaches from a feminist perspective and no other "outlooks" are welcome.

Asked if the university has grievance procedures to address such issues, Levy said it did, but the problem is in the execution of the procedures.

"So you really don't have a problem with the school's academic freedom policies?" Stevenson said.

"Correct," Levy responded. "I've never been told to change things in my classroom."

California enters pilot agreement with Cal U

By Jenny Susa, Herald-Standard
03/22/2006

CALIFORNIA - The California Borough Council voted Tuesday to accept a Phase V pilot agreement with California University of Pennsylvania that will allow them to give the borough money in lieu of taxes.

Solicitor Keith Melenzyer explained that if an organization goes to court, they could possibly prove that because they are non-profit, they are not obligated to pay any taxes. On the other hand, Melenzyer said that the borough could possibly prove in court that they have to pay the full amount of taxes.

"This is a compromise between the two," said Melenzyer. "In place of paying taxes, the council agreed on a figure that will be paid for each new dorm that is built."

President Jon Bittner said the agreement was the "same thing the council had agreed on in the past.

"Since this was based on phase four, this seemed to be a fair proposal," said Bittner.

The council also discussed a potential agreement with the university to share the cost of installing a traffic light at the intersection on Wood Street, next to the new fire department.

Council members commented that the intersection was in need of a traffic light because of heavy traffic coming from the university.

Councilman Patsy Alfano said that, initially, the council thought it might be able to pay for half of the cost, but Bittner said the council would have to further examine ways of paying for half of such an expensive project.

Bittner said they should decide how much the university needs the light, and if the council really thought it was necessary.

Melenzyer said that rather than get a loan, the council should look at other ways of paying for the light, and they would need more negotiations with the university.

The council agreed that they would see how much the university would be willing to pay, as well as look into ways of funding their part of the cost.

The council also discussed land titled Project 70 that the borough and its recreation authority hoped would be used to build a wellness center.

Since state Rep. Peter J. Daley (D-California) sponsored a \$2 million match grant that expires in May or June, the California Area Parks and Recreation Association has been trying to match the grant. Melenzyer said Tuesday that the borough has the option of selling or leasing some of the property to a non-profit organization that would begin building the wellness center.

While Melenzyer commented that the wellness center would be "advantageous to the community," he thought that problems would arise if the borough tried to sell any of the property.

"We're saying that we're not going to deed the property, but we would possibly lease whatever they would initially need," said Melenzyer, adding that they would probably need to lease about five of the 30 acres.

Melenzyer said that if the borough changed the use of the property to private recreational use, or if they dispose of interest by sale or lease, they would need state legislators' approval.

He said that he believed that legislators would not approve selling any of the property, but a lease would possibly be approved.

The council plans to continue discussion of the matter at future meetings.

In other business, the council mentioned that the borough's project of building new sewer lines could not move forward until they receive deeds and drawings from ATS Chester, and DEP approval for plan 537, which the board approved last year by resolution.

New Jersey colleges cringe at budget-cut proposals

Wednesday, March 22, 2006

By KELLY HEYBOER

Newhouse News Service

The last time the state slashed higher education funding the colleges reacted with painful program cuts and double-digit tuition hikes.

This time, it could be far worse, higher education officials said yesterday.

Gov. Jon Corzine's budget proposal includes an unprecedented \$169 million reduction in state aid to colleges and universities. Rutgers University alone would lose more than 15 percent of its state funding.

"The cuts proposed for higher education are catastrophic," said George Pruitt, president of Thomas Edison State College in Trenton and chairman of the state's college presidents group.

Higher education leaders were scrambling yesterday to calculate exactly how much each school would lose under Corzine's \$1.9 billion higher education budget.

The early numbers were sobering: A 10 percent cut to the base aid for public colleges and a 50 percent cut to private colleges.

Under Corzine's plan, the public colleges also will get none of the \$122 million they were expecting from the state to cover mandatory salary and fringe benefit increases for their employees.

"Even with significant tuition increases, cuts this large would require layoffs, cancellation of hundreds of classes and reductions to essential services for our students," said Rutgers President Richard McCormick. "Rutgers would simply not be the same university."

When higher education faced state aid cuts during Gov. James E. McGreevey's administration, the public colleges responded with tuition hikes as high as 12 percent.

Corzine, who had been a staunch higher education advocate in the U.S. Senate, said the cuts are difficult, but necessary.

Colleges and universities are an attractive target for budget cuts during tough financial years. Unlike other state departments and programs, colleges can raise tuition and solicit donations from alumni to help plug budget holes.

New Jersey students already pay among the highest public college tuitions in the country.

The average full-time county college student pays about \$2,339 a year in tuition. The average Rutgers undergraduate is paying \$7,336 for in-state tuition- or \$17,779 once room, board and mandatory fees are added in.

In recent years, the governor and state Legislature have imposed tuition caps to keep Rutgers and the other public four-year schools from raising tuition more than 8 or 9 percent. It is unclear whether a similar cap could be put into place this year.

Private colleges will share in the pain. New Jersey, one of the few states that gives taxpayer dollars to private colleges, would slash the appropriation by 50 percent to \$12 million under Corzine's plan.

Drew University in Madison would lose \$500,000 to \$750,000, a cut that may hurt the state's economy in the long run, said Drew President Robert Weisbuch.

"Now is the time to be investing in institutions like Drew that keep talented young people in New Jersey and attract the best and brightest from out of state," Weisbuch said.

Higher education officials did find some bright spots in the governor's proposed budget.

Student financial aid is slated for a \$6.3 million increase. The budget also includes money to continue NJ STARS, a new program that allows students in the top 20 percent of their high school classes to attend the state's county colleges free.

"That's a big deal. We're very grateful for that," said Lawrence Nespoli, president of the New Jersey Council of County Colleges.

KU to build housing for 857 students

The university says demand led to the project, which is expected to lessen the burden on the community.

By Mike Trask

Reading Eagle

Kutztown University expects to begin work this summer on a \$55 million residence hall the second major student housing project on the campus in six years.



The 857-bed hall is planned for the south side of campus near Keystone Hall, the sports arena.

Half of System of Higher Education. About 4,070 students, more than 41 percent, reside on campus.

"If you look at Millersville or Shippensburg, they only have about 2,000 students living on campus, but the six-story building is expected to open in fall 2007. The other half is slated for completion in early 2008.

Adding the facility will give KU the ability to house nearly 5,000 students on the campus, which is mainly in Maxatawny Township.

KU already has the highest ratio of students living on campus among the 14 universities in the State" said William J. Sutton, vice president for university advancement.

KU has about 9,800 students third largest among universities in the state system. Indiana University of Pennsylvania has the highest enrollment at 14,000 students, and West Chester University is second with 13,000.

In 2004, KU completed a three-year project to add three on-campus apartment complexes at a cost of \$40 million. Those buildings the Golden Bear Village complex house more than 1,000 students.

James R. Sutherland, KU vice president for administration and finance, said a demand for student housing in the Kutztown area led to the building boom.

"We're trying to make sure we do our role, that we don't overburden the community," he said.

Kutztown Mayor Sandy K. Green said the proposed hall will help keep more KU students living on campus instead of in apartments and rental houses in Kutztown.

"I would think it would help alleviate some of the housing crunch," she said.

The proposed residence hall will feature suites and apartment-style units for groups of two and four students. The exterior will be brick and reinforced cement-board panels.

The project also calls for adding 500 to 600 parking spaces on the south side of campus.

But at least one question remains about the new building.

"We do need to come up with a name," Sutherland said. "I'm sure we will."

Campus plan

Kutztown University's proposed residence hall:

Cost: \$55 million.

Occupancy: 857 students.

Size: Six stories, 258,000 square feet.

Units: 245 suites, 40 apartments.

Opening: Planned in two phases for fall 2007 and early 2008.

Source: Kutztown University