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Budget Ax Falls Hard on State Higher-Education Agencies

By PETER SCHMIDT

As state governments struggle to keep their budgets balanced, several have chosen their higher-education agencies for especially deep spending cuts.

Just last week, California lawmakers adopted a budget for the current fiscal year that slashes spending on the state's Postsecondary Education Commission by more than 40 percent, or \$1.4-million. The cut leaves the agency, which collects data on colleges and advises the governor and lawmakers on higher-education policy, in the position of having to reduce its staff and substantially narrow the scope of its research.

Elsewhere in recent months, state lawmakers have reduced financial support for Missouri's higher-education coordinating board by 27 percent and cut the budget of Arizona's coordinating board for community colleges by 66 percent, forcing both agencies to scale back their activities and operate with far fewer employees.

Other state higher-education agencies have escaped such severe budget reductions -- in some cases, narrowly. But many have seen their state appropriations trimmed by up to 10 percent -- and are expected to remain vulnerable to deeper cuts as long as the economy remains in the doldrums. The State Council of Higher Education for Virginia, for example, suffered an 8-percent reduction in its budget for the current fiscal year, but has been told to make plans for a midyear cut of possibly 7 to 15 percent.

The recent downsizing of California's Postsecondary Education Commission "demonstrates the precariousness of statewide agencies that have a very important role but are not perceived by legislators as direct providers of education," says Warren H. Fox, who resigned as the commission's executive director in June, after 11 years, when it became clear to him how much it would shrink.

Because such agencies are independent of public colleges, and have no alumni, students, or faculty members, they do not have constituents that they can count on to rally behind them in the legislatures. "The independence of a statewide agency is one of its strengths," Mr. Fox says, but "that independence can put you at risk."

It is shortsighted of states to diminish such agencies, says Paul E. Lingenfelter, executive director of the State Higher Education Executive Officers, a nonprofit group based in Denver. For the most part, he says, higher-education agencies are still regarded by state lawmakers as valuable, playing a key role in getting public colleges to work cooperatively and to tend to their states' needs in terms of workforce and economic development.

"As budget times get tougher, and our ambitions for higher education in society continue to rise, that kind of leadership at the state level will become even more valuable and more crucial," Mr. Lingenfelter says.

Jumping Ship in California

The budget that California lawmakers adopted last week reduced the commission's annual appropriation to just under \$2.2-million, from \$3.6-million.

Gov. Gray Davis, a Democrat, had proposed cutting the appropriation by 80 percent, to about \$720,000, to help close a state budget gap estimated at nearly \$24-billion. The Legislature chose to reduce the commission's budget by only half that much, but Mr. Davis could still use his line-item-veto power to bring the appropriation in line with his proposal.

Last week, a legislative committee assigned to craft a new master plan for higher education in California recommended abolishing the Postsecondary Education Commission altogether and replacing it with a new state agency that would advise lawmakers on elementary and secondary education as well. Charles A. Ratliff, a senior consultant to the Legislature's Joint Committee for Developing the Master Plan for Education, says his panel would like to see the commission remain fully in operation until it is replaced, in part because it has played a crucial role in advising his own panel's work.

The budget bill awaiting Governor Davis's signature "reduces the analytic capability of the commission and reduces its responsiveness," Mr. Ratliff says. He adds that, because the successor agency being proposed by his committee would have more responsibilities and a larger budget than the current commission, the downsizing raises questions about the state's willingness and ability to make the financial commitment necessary to carry out the new master plan.

Seventeen of the commission's 43 staff members have already left their jobs in anticipation of the layoffs to come. Mr. Fox, who left to become a scholar in residence at the Center for Studies in Higher Education, at the University of California at Berkeley, noted that the commission had already recovered from one major retrenchment, during the recession of the early 1990s, and that he did not want to remain at its helm while it was again rendered unable to perform much of its work.

"A very bleak future was being presented," he says. "Agencies like this should not come and go depending on the vagaries of the economy. The issues are too large, too important."

Commission officials last week were trying to determine where to trim the budget. David E. Leveille, the deputy director, says the agency may no longer be able to produce several of the documents that it routinely issued in the past, like annual reports on faculty salaries and on the performance of various higher-education institutions. Many of its research efforts will have to be narrowed in scope or performed less frequently, he adds.

Deserted in Arizona

While California's commission has been curtailed strictly as a cost-cutting measure, the near elimination of Arizona's State Board of Directors for Community Colleges was seen by some as politically motivated.

As part of the state budget for the 2002-3 fiscal year adopted by the Legislature in June, the board's annual appropriation was reduced to \$237,000 from \$700,000, and 8 of its 13 full-time staff positions were eliminated. What's more, the board was stripped of much its rule-making authority, its role as the agency that certifies community-college instructors, and its power over local community-college districts' ability to put particular bond measures on the ballot. Those powers and duties were transferred to the state's 10 community-college districts.

"Truthfully, we did not see the downsizing coming. It was pretty much a shock," says Karen F. Rizk, the board's chairwoman. As a result of the cuts, "there are some menial clerical-reporting requirements that the board will be providing, but that is really all that is left," she says.

The lawmakers who called for the retrenchment argued that much of the board's work was unnecessary, duplicated the administrative duties being performed by the community-college districts, or infringed on the districts' policy-making authority.

The downsizing of the board was opposed by officials of two districts -- representing Pima County and Mohave County -- but the others took no position on the issue and expressed confidence that they could take on the administrative duties that the state board had been performing. The Arizona Community College Association likewise remained neutral in the debate.

One of the primary legislative advocates of the move was State Rep. Laura Knaperek, a Republican, who is chairwoman of the House of Representatives' Appropriations Committee. Many community-college presidents and local-board members called her to express support for the measure, in part because the state board was "intruding into the policy realm of the community colleges" by doing things like devising a strategic plan for all community colleges, she says. The board's defenders, meanwhile, accused her of having a vendetta against the agency, with which she had clashed in the past.

Gov. Jane Dee Hull, a Republican, let the budget bill become law in June, but refused to sign it, specifically citing the gutting of the community-college board as one of several changes she opposed. In a letter explaining her decision, she wrote: "I believe that 5 to 10 years from now a future Legislature will look back and question why all the oversight authority was eliminated from this board. In the end, the state has surrendered almost all oversight to local districts and maintained a board that has no authority."

Lawmakers contemplated a proposal to abolish the Missouri Coordinating Board for Higher Education before agreeing to reduce its budget by 27 percent, or \$350,000, in the 2002-3 fiscal year. Even with such a reduction, the board is still slightly better off than it was last fiscal year, when lawmakers withheld about a third of its tax-dollar support.

The drive to eliminate the board was led mainly by some legislators who have complained that it had mistreated public colleges in their electoral districts by not giving them enough state funds, among other things. Missouri's General Assembly went along with the 27-percent reduction in the board's appropriation mainly because the state faced a budget gap of more than \$370-million.

The cut has forced the board to eliminate 7 of its 32 staff positions. Among the jobs eliminated was a liaison who worked with community colleges to come up with programs in workforce development and technical education. Joseph L. Martin, the board's associate commissioner for finance, says the personnel reductions have slowed the agency in dealing with proprietary-school certification and student scholarships.

In Nebraska, Gov. Mike Johanns, a Republican, proposed slashing the budget of the state's Coordinating Commission for Postsecondary Education by 31 percent, or about \$322,000, in this fiscal year. Legislators refused to go along, however, and the budget that was adopted made a comparatively minor cut of 9 percent, or \$94,000.

"The commission works well with the [Unicameral Legislature's] Appropriations Committee -- a lot of our data goes to them -- so I think they can see our value," says Patsy C. Martin, a spokeswoman for the commission.

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