The Credit Crisis Goes to College
Upheaval in the student-loan business leaves students and parents scrambling
By Susan C. Thomson

SHAYNA MURPHY was completing summer studies in England when a friend e-mailed her the news: The Massachusetts Educational Financing Authority had just announced that it didn’t have the money to make private, or “alternative,” student loans—the kind that students turn to after tapping out on federal ones. This was MEFA dropping the second shoe, the first one being its exit from the federal loan market in the spring. Suddenly, the agency was effectively out of the business for which it was created.

And 25,000 would-be borrowers—mostly Massachusetts residents or students attending school there—were left with just a couple of weeks to scramble for new private lenders before their fall-semester bills came due. Those stranded mostly Massachusetts residents or students attending school there were left with just a couple of weeks to scramble for new private lenders before their fall-semester bills came due. Those stranded included about 2,200 students—about one percent in just the last ten years. And it wasn’t just students in Massachusetts who found their student lenders were playing hard-to-get. By spring 2008, almost every day seemed to bring word of another student-loan source scaling back, deciding either to serve fewer schools, or make fewer loans or none at all. The list of the totally or partially disabled swelled to include every type of provider—banks, student-loan companies and non-profit state student-lending agencies.

The agencies of several other states continued on page 8

The Engaged University
Northern Kentucky University is building closer links to its community
By Jon Marcus

The Introductions have been made, the speeches finished, the endless litany of benefactors thanked when the blast of an unseen and unmuffled engine suddenly revs to life, shaking the arena and the polite crowd gathered in it with an ear-blasting, methanol-fueled roar.

James Votruba smiles. “It’s the faculty senate,” he jokes.

Nothing could ruin this day. Wielding a giant pair of scissors, Votruba is about to cut the ceremonial ribbon on the new $69 million, 10,000-seat Bank of Kentucky Center at Northern Kentucky University, where he is the president. In addition to the university’s NCAA Division II men’s and women’s basketball teams, the arena is designed to host events including Cirque du Soleil, performers such as Carrie Underwood, and the Monster Truck Tour (which accounts for the interruption from the monster truck concealed from the audience behind a curtain).

The week before, Votruba had presided at the opening of a sleek new $37 million student union with a Starbucks, a sushi bar and plasma-screen TVs. They show, in continuous loops, the progress of the nearly $300 million worth of building projects on his campus, which, just 40 years before that, was a farm where cows grazed on 400 acres of empty, rolling fields seven miles southeast of Cincinnati.

The youngest of Kentucky’s eight state universities, NKU began as a community college that didn’t formally become a university until 1976, but has since seen growth that seems methanol fueled itself, racing to an enrollment of 15,000—up 50 percent in just the last ten years. And it plans to add about as many undergraduates in the next 12 years as it did in its first 25, toward a goal of 26,000 by 2020.

What has put this once-provincial cam-

President James Votruba of Northern Kentucky University has vigorously promoted ties between the university and the surrounding region.

university of Washington official JR Fulton was stuck with 8,000 incandescent bulbs when the campus switched to more efficient fluorescent lighting. This is part of the university’s efforts to become a “green” campus. (See page 6.)

In This Issue
EDITORIAL

Our Agenda

The National Center for Public Policy and Higher Education was founded in 1997 and charged with bringing a public interest perspective to state and national policy issues. For the last decade we have focused on state and national policies for education and training beyond high school through the baccalaureate degree. The major theme of our work is the raising of national and state educational attainment through policies that improve college readiness, access, completion and affordability, and the importance of explicit student learning outcomes.

Over the past year the National Center's board of directors, staff and advisors have undertaken a strategic organizational assessment and planning process, one that included wide consultation. Our primary focus was on whether the policy agenda of the last decade is the appropriate one for the future or whether—and how—it might be altered or modified. At the same time, we addressed related issues of organization, staffing and funding.

Our principal conclusion is that the higher education attainment of Americans remains the core educational policy issue confronting the country in this era of demographic and economic transformation. Plainly stated, a greater number of Americans with higher levels of knowledge and skills, as reflected in postsecondary degrees and certificates, should be the essential state and national public policy agenda for education: Substantial progress on this agenda constitutes—and will constitute—the necessary condition for both individual opportunity and state and national prosperity.

The National Center will continue its emphasis on public policies that enlarge the pool of high school graduates ready to undertake college-level academic work, increase the college participation rates of high school graduates and working-age adults, improve the completion rates of those who enroll in college programs, address the problems of college affordability for low income and middle class Americans, and assure and improve the quality of student learning. This theme of higher levels of educational attainment will continue to guide the National Center's studies, reports and programs.

Our plans encompass both continuity and change:

• The next edition of the national and state-by-state report cards on higher education, Measuring Up 2008, will be released on December 3.
• The quarterly publication of National CrossTalk resumes with this issue.
• The National Center's Associates program for mid-career professionals in higher educational policy will recruit its next class in 2009.
• A series of national policy reports will address key findings and policy implications of Measuring Up 2008.

The next class in 2009.

The Board of Directors of the National Center for Public Policy and Higher Education approves the Center's “Measuring Up 2008” report at a board meeting in Cambridge, Massachusetts.

Board Chairman James B. Hunt Jr., former governor of North Carolina, studies the latest “Measuring Up” report.

Joni E. Finney, vice president of the National Center, discusses some of the report’s findings with board members.

———Patricia M. Callan
Basic Skills Education
Pasadena City College’s Teaching and Learning Center

By Kay Mills

PASADENA, CALIFORNIA

Rene Cabrera helps Chris Pope with his pre-algebra homework, then moves to a neighboring desk to tutor another fellow student at Pasadena City College’s Teaching and Learning Center. Cabrera, who is taking Calculus II after getting an A in trigonometry last winter, says he, too, started college “as a student seeking help.” He knows what it’s like to be frustrated.

In his high school, Cabrera recalls, “math was portrayed poorly,” and he didn’t do well, getting low grades in geometry and algebra. A high school counselor told him he didn’t need to take a second year of algebra. “He said I wasn’t going to college, so I didn’t need it.”

The middle child of five, Cabrera and his sister are the first in their family to attend college. He is just two courses away from getting his associate’s degree and transferring to a four-year university, ultimately aiming for a Ph.D. in mathematics. He loves to read math books in the library and hopes to make a contribution to that field.

The Teaching and Learning Center (TLC), which helped Cabrera and works with 300 to 400 other students in its core programs, is an eight-year-old holistic approach to guiding underprepared students through math, English and other challenges of college. It is also trying to revolutionize the way faculty look at their students and teach them. The center’s approach is one that is spreading through California community colleges and across the country, cross-fertilizing as it goes.

With the nation’s largest community college enrollment, 2.6 million students at 110 schools, California is among many states working to improve programs for underprepared students. It established a Basic Skills Initiative in 2006. Last year the California legislature allocated $33.1 million to the state’s community college system for this initiative, making it an annual program for research and for implementing changes.

Across the country, 15 other states, ranging from Washington State to Florida, are implementing changes. For example, Washington State has a similar test, but only those students hoping to attend a California State University take it.

One approach encouraged by the California initiative and long practiced at Pasadena City College’s center involves what educators call “learning communities,” students who take a series of linked courses together during their time on campus. Schools throughout the United States have turned to this concept. A 2002 survey by the Policy Center on the First Year of College, in Brevard, North Carolina, found that among 341 responding community colleges, 60 percent offered learning community programs. That’s the last year for which data are available, but experts say the figure is higher now because so much research has appeared underlining the value of this approach.

PCC’s center combines learning communities with a summer program, tutoring and counseling services, heavy faculty involvement with students, and built-in research leading to creation of new programs. Its work has yielded higher success rates for its students—a majority of whom are Hispanic—than those of the overall campus population, although all of the students in the core “XL” program tested below college-level in either math or English or both.

The program is called XL because that “sounded high tech,” said co-director Brock Klein. It also means “excel.” Its three student cohorts from 2005 to 2007 had a 78.5 percent success rate, meaning students completed classes with a C or better, compared to a 65.9 percent rate for all PCC students, including those who intend to transfer to four-year schools, and 59.4 percent for students in basic skills classes that are not part of the Teaching and Learning Center.

The college, located in the San Gabriel Valley of Los Angeles County, this fall enrolled 29,857 full-time and part-time students. The city of Pasadena, about ten miles north of downtown Los Angeles, once was considered a white enclave, but its population has changed. The college district’s area now has no majority ethnic group. Today PCC’s student body is 37 percent Hispanic.

Pasadena City College has seen a surge in first-generation college students, posing challenges for the school. California community colleges admit virtually all comers, and in fall 2007, 61 percent of new PCC students placed below college-level in English proficiency, and 88 percent were below college-level proficiency in math.

“The way we did business in the past is not the way we can do business in the future,” said Robert Miller, Pasadena’s associate dean for academic support. “It doesn’t matter why” the students lack college-level proficiency, he added. “They are continued next page

Pasadena City College President Paulette J. Perfumo hopes to find permanent funding for the college’s successful Teaching and Learning Center.

The center’s approach is one that is spreading through California community colleges and across the country, cross-fertilizing as it goes.
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High school recruiter Melva Alvarez works with Teaching and Learning Center students Lizette Robles, Ian Galeana and Lauren O’Neill.

Altamirano graduated from PCC in 2004 and earned a bachelor’s degree in history from the University of Southern California in 2006. He is now working toward a USC master’s degree in education in postsecondary administration and student affairs and wants to be a counselor. Meantime, he has also been in the active Marine reserves and served in Iraq as a field radio operator from January to June 2003.

He is what the TLC program considers “a pacer,” that is, “somebody who pushes the community beyond the standard that has been set,” as Klein described it. “Tito was an early member of the peer tutoring group. Soon he was helping on a camping trip,” Klein said, adding that Tito and his father built the obstacle course that students completed as a team exercise for an Outward Bound-style part of the summer program.

Faculty find themselves changed by the program, too. Ann Davis, who joined the math faculty in 2001, got involved with the center when Klein had a pizza party. “I learned there is no such thing as a free lunch,” she said. “I didn’t see the potential until Brock had that party. He said if you want to do something, talk to me.”

Davis started a math faculty inquiry group, a collaborative effort in which professors examine how students learn and how they can improve their teaching. “It completely changed my life. I found leadership skills I didn’t know I had. There was no financial incentive, but people would stay until 10:00 on a Friday night rewriting the curriculum. They were so excited. Brock spun that into completely rewriting the lowest math course.”

Jay Cho, another pre-algebra teacher, shared the lead with Davis in this effort. The group discussed the concepts they wanted their classes to grasp and how to get them there. One tool that Cho developed was “think aloud,” a videotape of his students saying out loud what they were thinking as they tried to solve a math problem.

“As teachers, we assume a lot of stuff about how students learn,” Cho said. “But this way we could see that students do this, and this and this. We could analyze how the students do the work,” he said, and then teach them using those steps.

Faculty members also teach their students study skills. Cho tells his math students to label their equations so he will know what they are doing. Silvia Villanueva, who teaches English, wants her students to underline key passages in their reading so that the material will sink in. She urges them to stop and look up words they don’t know. David Douglass, division dean for natural sciences and professor of geology, tells the students on the Arroyo Seco field trip to keep notebooks, put their names in them in case the notes get lost, and include in them the diagrams of faults and sections of the river that he draws on a large portable tablet. It’s his way of making them pay attention and assuring that they’ll have the material to study later.

TLC faculty like Villanueva and Monika Hogan, another English teacher, spend large amounts of class time going over reading material with students. About one-third of the students in Hogan’s English class—the first-level class for college transfer credit—were with her previously in basic classes. The students

Brock Klein is co-director of Pasadena City College’s “holistic” approach to teaching basic skills.
are preparing for health services careers, and she has them reading Susan Sontag's "Illness as Metaphor." Hogan talks with the students about any problems they had with the essay and the arguments Sontag used. This is not easy reading, she knows, but the discussion is lively.

What happens to these students when they transfer to four-year colleges or universities where professors might not involve them as much in the class work? Hogan said that the training at PCC “teaches them how to get the help they need. They have a remarkable amount of strategies” toward that end.

Today's college students are much different to teach than were those of their parents' generation, said PCC President Paulette J. Perfumo. “They have on iPads, they are texting, they are working on computers, and at the same time they are answering a question from mom or dad,” she said. “Brain research is showing that all this technology is remapping the brain. You think they are not paying attention, but they are.”

TLC students face a variety of out-of-class challenges separating them from more affluent college students. Many have little money, and even though tuition is low—$20 per credit hour—they have nothing left for expensive textbooks, so TLC has a textbook loan program.

Other students might miss class because they are the only members of their family who speak English, and grandma needs to go to the doctor. Or their parents don’t see education’s long-term value and insist that they get jobs instead of studying. Or families are evicted from their homes. “One student was supporting herself when her car broke down, and she didn’t have the money to fix it,” so she dropped out of school, Davis recalled.

“What these students work with, I would call daily life struggles that impinge on their ability to focus” on schoolwork, Robert Miller said. “They have responsibilities that extend beyond themselves. We have to have the flexibility and level of caring that allows us to say the rules can be bent and sometimes must be bent.”

The Teaching and Learning Center grew out of a five-year, $2 million Title V Hispanic-Serving Institutions grant from the U.S. Department of Education. That grant allowed the center to develop a variety of learning community models and to transform a former arts studio into the center’s home. Students go there to do their homework and to socialize.

Since 2005, a three-year grant from the Hewlett Foundation, managed by the Carnegie Foundation for the Advancement of Teaching, has been helping Pasadena and ten other California community colleges explore ways to teach and assess their students under a program to strengthen basic skills education. Each school has received $100,000 a year. “There’s now a network of faculty and leaders like Brock [Klein] who are sharing ideas and making their programs into laboratories for change, said Rose Asera, a senior scholar at the Carnegie Foundation.

Asera believes that one key gain from this effort “is the redefinition of professional development—linking it directly to a student program.” Schools can make this work meaningful to faculty, as opposed to the episodic, uncoordinated stabs at it that have often occurred in the past, according to the center’s report. “It’s not impossible,” Asera said. “We have examples of it.”

TLC’s funding also includes a three-year grant from the Irvine Foundation, which the center has used to develop its short summer non-credit programs in math, reading and art. Even a little exposure to math helps students do better in the fall, the center has found. In addition, a five-year grant from the National Science Foundation aims at increasing the number of students receiving degrees in science, technology, education and math.

What would happen to the center if foundation funding dried up? Perfumo, who began her presidency in fall 2008, plans to “work to institutionalize it,” that is, to integrate the program into the regular college budget and academic structure.

“We are fortunate that three years ago the state Basic Skills Initiative was established,” Perfumo said. “So there is money available.” If the grants dried up, she added, “I think we would back-fill it with other money.” The center has been successful not only in helping first-generation college students but “also as a teaching center for faculty. It has become an incubator for innovation and dissemination of that innovation across the campus.”

TLC’s budget is $518,000 a year—for salaries, faculty development stipends, tutors, external evaluation, supplies and the textbook loan program. When asked if it could be a line item in next year’s budget, Perfumo said yes.

California had just passed its 2008-09 budget when Perfumo was interviewed. In the ensuing meltdown of financial markets, even that overdue, stringent budget faced new challenges. No one knows yet what those tests might be.

Perfumo and the TLC want to increase the program’s impact across the campus. Currently, at most, 1,400 students participate in some part of the center’s work. Klein and co-director Lynn Wright wonder about the program’s scalability. “If an intense, sustained intervention provides the best results, can you scale up?” Klein asked. “Where is the tipping point that it’s too big, the teachers not involved enough, the attention not personal enough?”

Perfumo said that she believes the learning community concept can be of value throughout the college. “Again, research shows that [students] are retained. They do better. They help each other. That’s critical. It’s absolutely magic.”

The California Legislature and the community colleges consider basic skills education “one of the top priorities” upon which postsecondary studies build, according to a June 2008 report from the state’s Legislative Analyst. California’s community colleges provided basic skills instruction to more than 600,000 students in 2006-07, the report said, yet only about 60 percent completed English courses with C grades or better, only 50 percent for basic skills math courses.

The report adds that while research on these efforts has grown considerably, some of the district’s policies and individual schools’ practices diverge from what the research shows to be effective. For example, the report said that many incoming students “do not undergo mandatory assessment,” some are not required to take remedial work within a certain time frame, and substantial numbers are not provided with required orientation and counseling services.

The creation of this Basic Skills Initiative, the spread of learning communities and faculty inquiry groups, the increased attention to community colleges in general on both the state and national level are providing synergy for change, according to Klein. “I don’t think I’ve ever seen a more likely moment,” he said. “There’s a convergence of energy, interest, opportunity, from government, non-profits, foundations. Lots of people are thinking about community colleges.”

Kay Mills is the author of “This Little Light of Mine: The Life of Fannie Lou Hamer” and four other books.
Going Green
Environmental stewardship is a top priority at the University of Washington

By Kathy Witkowsky

KRYSTA YOUSOUFIAN is serious about her commitment to the environment. This is why the 19-year-old University of Washington sophomore turns off her lights and unplugs her computer monitor every morning before she leaves her dorm room, and uses the computer labs whenever possible, even though her mother has offered to buy her a new, more energy-efficient LCD monitor. (It would be wasteful, she says, to get rid of her old one.) That is why she volunteered last year to help feed the university’s worm bins at the school’s urban farm.

And why she has spent time educating new students about the university’s aggressive recycling and composting program, and why she religiously saves her apple cores and other food scraps to contribute to it, even though it sometimes means keeping them in her dorm room overnight.

“I think my friends think I’m a little bit crazy,” Yousoufian admitted. Perhaps. But Yousoufian, a computer science major and Seattle native who is also the webmaster for SEED (Students Expressing Environmental Dedication), a volunteer student group that works to promote sustainability in residence halls and dining operations, is hardly alone in her desire to make the University of Washington a more eco-friendly place. And it is not just her fellow SEED members who share her enthusiasm. From the president to the janitors, many of the university’s faculty and staff are devoting time and energy to what Michael Meyerling, who has been at the forefront of the university dining halls’ “zero waste” campaign, describes as “a noble cause.”

It is part of a nationwide movement among institutions of higher education to improve their environmental stewardship and focus on sustainability, a movement that the University of Washington is helping to lead.

In part, that is because it’s the smart thing to do. In the long run, going green saves money—and in the case of wise investments, can even make money. Sustainable practices also promote better health, less absenteeism and more productivity. And they attract students, who are paying increasing attention to schools’ environmental policies. (In a nod to the latter development, The Princeton Review, which rates institutions of higher education on selectivity, quality of life and other aspects of interest to prospective students, this year began issuing “green ratings,” too; the University of Washington was one of 11 schools that earned a top grade.) But beyond being the smart thing to do, University of Washington administrators say repeatedly, with an earnestness familiar to anyone who has visited the Pacific Northwest, it’s the right thing to do.

“This is a place where people spend a fair amount of time worrying about what the right thing to do. And we actually act on it,” said UW President Mark Emmert. “It’s an important part of our identity as a university.”

Indeed, environmental stewardship is an inescapable fact of life here—and not just in the academic and research arenas, although it is there, too: Dozens of UW-affiliated faculty and researchers shared in the 2007 Nobel Peace Prize for their work on the Intergovernmental Panel on Climate Change; this year the university’s College of Architecture and Urban Planning created a professorship in sustainability; and the university recently announced a new College of the Environment, which will encourage students interested in environmental science, policy and management to study across disciplines.

But even students whose academic focus has nothing to do with the environment can’t miss the lessons at work on the 700-acre Seattle campus.

The dining halls serve local produce—some of it grown in a rooftop garden—in compostable take-out packaging, with compostable cutlery; in the past year, more than 500 tons of waste has been diverted away from landfill and into compost, thanks in part to signs posted in the dining halls exhorting people to “Strive for Zero Waste.” A robust recycling program boasts a 40 percent participation rate, which last year saved the university some $280,000 in landfill fees it avoided; the university escaped further landfill fees (and earned $500,000) by selling used and outdated furniture and equipment at its surplus store. The custodial staff uses green cleaning supplies; Procurement Services buys local office products when possible, and requires vendors to provide information about their internal sustainability efforts.

The university’s U-Pass program (short for “Universal Pass”) heavily subsidizes public transportation for students, faculty and staff; that and other measures designed to discourage them from commuting by car have resulted in a 16 percent decrease in the number of vehicles coming to campus over the past 17 years, despite a 24 percent increase in the campus population.

A capital projects sustainability manager ensures that, in accordance with Washington state law, all new state-funded buildings and major renovations are at least LEED silver-certified. (LEED, which stands for Leadership in Energy and Environmental Design, is a nationally accepted program administered by the U.S. Green Building Council; silver is the second level of four possible certifications.)

The school uses a natural-gas fired steam plant to heat its buildings, has upgraded most of its lighting systems to be more energy efficient, and its electricity purchases are from 100 percent renewable energy (not difficult to do in Seattle, where almost all electricity is generated from hydro). Since 2001, it has cut water usage by 35 percent. It invests in renewable energy funds and energy conscious real estate funds. And an Environmental Stewardship Advisory Committee, made up of students, faculty and staff from the university’s three campuses, reports to the provost and executive vice president with recommendations about how the institution can improve its environmental practices.

There are also grass-roots efforts at work. A group of staff from the university’s Office of Strategy Management and the financial and treasury departments has volunteered to train their peers about “greening” their office practices; suggestions include setting printing margins wide and printing double-sided documents; buying in bulk to reduce packaging; and turning off electrical equipment at the end of the day.

Students, faculty and staff collaboratively tend an urban farm on campus alongside a pedestrian/bike trail. University gardener Keith Possee, explaining why he co-founded the urban farm, said, “If we’re promoting sustainability, and we have all this land on campus that’s not being used, why shouldn’t we grow food on it?” This past spring, SEED, the student group, started a garden, too, doling out ten individual plots to students living in residence halls. Interest far outweighed the number of plots available.

All of which pleases President Emmert, who shortly after taking office in 2004 formally adopted an environmental policy stating that as the state’s preeminent research institution, the university has a responsibility “to act as a positive force for the enhancement of the local and global environment.”

Since then, Emmert has continued to ramp up the university’s public commitment to the cause. In 2006, the university became a founding partner of the Seattle Climate Partnership, a voluntary pact among Seattle area employers to reduce their greenhouse gas emissions so that the Seattle community can lower its overall emissions to seven percent below 1990 levels by 2012. Last year, Emmert became a charter signatory of the American College & University Presidents Climate Commitment, which pledges institutions to
move toward carbon neutrality. The university has already inventoried its carbon emissions, and is in the process of developing a climate action plan. The university recently established an Office of Environmental Stewardship to encourage and coordinate the university's efforts, although budget constraints and the gloomy economic picture have thus far prevented it from being funded.

Why make environmental stewardship a top priority? With nearly 39,000 students, and an additional 27,600 faculty and staff, “we have a large footprint in Seattle,” said Emmert. “It’s incumbent on all large organizations these days to do what they can to be good corporate citizens.”

Even students whose academic focus has nothing to do with the environment can’t miss the lessons at work on the 700-acre Seattle campus.

As an educational and research enterprise, the university is already addressing questions of environmental degradation and climate change, Emmert said. “And if we’re going to be leaders in the classroom and the laboratory, it only makes sense that we try to be leaders in practice,” he said. “It’s in many ways a perfect teachable moment.”

It is also an easy sell. Known as the “Emerald City” because of its lush landscape, Seattle has a long history of conservation, which is reflected in the people who attend and work at the University of Washington. “One of the intangible assets at the University of Washington is the dedication of the staff, students and faculty to environmental stewardship and sustainability,” said AJ Van Wallendael, who has served as the university’s part-time environmental stewardship coordinator since the position was created in 2005. “There’s just a passion for it on campus. It’s inherent in the culture.”

That has not gone unnoticed. The university has received numerous accolades for its efforts. This fall, for the second year in a row, UW received an A+, the highest grade given, in the Sustainable Endowments Institute’s latest College Sustainability Report Card—one of just six public institutions out of 300 colleges and universities surveyed in the U.S. and Canada that did. (Nine private schools also achieved the top grade.)

To do so, a school had to be a leader in all nine categories that the Institute looked at, which included administrative commitment, food and recycling, climate change, green building, student involvement, transportation and investment policies. “It’s important for us to be researching this and holding colleges and universities accountable for their actions, because they do control a lot of resources,” said Lea Lupkin, a research fellow at the Sustainable Endowments Institute, a non-profit organization.

But those involved with the University of Washington’s efforts are quick to point out that long before organizations were issuing “green” report cards or ratings, the school had been taking important steps. “Sustainability, now that we’ve coined a term for it, has always been a priority for the university,” said John Chapman, executive director of engineering and operations, who has been at the university for 23 years.

Twenty years ago, for instance, Chapman convinced the university to switch its coal-fired steam plant over to natural gas, even though coal was less expensive. “The argument was, ‘What business do we have burning coal in an urban environment?’” recalled Chapman, who ran the plant at the time. Although carbon dioxide emissions were not on anyone’s radar back then—the university was instead concerned about other pollutants—the result was a 50 percent drop in greenhouse gas emissions from the power plant, Chapman said.

And that was just the beginning. In 1995, the university entered into a $10 million cost-sharing agreement with its public-owned utility, Seattle City Light, that allowed it to upgrade much of the building lighting with high-efficiency fluorescent lighting systems. More recently, the university has been trying to do the same with so-called “task lighting” such as desk lamps and equipment lighting.

Thanks to a rebate agreement with Seattle City Light (Seattle’s publicly owned electric power utility), students, faculty and staff can trade in incandescent bulbs used on campus and get a compact fluorescent light bulb for free; the rebate winds up covering the university’s costs.

The program has been a huge success: Housing and Food Services, as well as the university’s fraternities and sororities, have changed out thousands of bulbs. Not only are the new compact fluorescent bulbs four times more efficient in terms of energy, they also last six to seven times as long as incandescent bulbs, saving the university money in terms of both replacement bulbs and custodial time to install them, said JR Fulton, capital planning and sustainability manager for Housing and Food Services, who is still trying to figure out what to do with 8,000 incandescent bulbs that he has collected over the past year and a half as a result of the program.

Meanwhile, in 2000, the university modified its thermostat settings, lowering them from 72 to 68 in the winter, increasing them from 72 to 78 in the summer, resulting in an estimated 4 percent drop in energy usage. At the same time, the school changed the way it operated the power plant, cutting out back-up boilers so that they were not constantly using energy. It also invested $900,000 to replace 1,750 older toilets with low-flow models, which use between one-third and one-half the amount of water. (The university also experimented with 150 water-free urinals, but discovered they cost too much to maintain.)

The efforts worked: Between 2000 and 2005, total UW direct greenhouse gas emissions declined nine percent, according to the university, even though the campus population increased by seven percent during the same time period. The conservation measures also resulted in considerable cost savings: The university estimates that between 1996 and 2007, it avoided $58 million in utility costs.

Nonetheless, overall energy consumption continues to increase, due to growing enrollment and additional electricity demands from computers and other sophisticated equipment, Chapman said. So the university still has a long way to go if it is to reach its goal of carbon neutrality. Although there is not yet a timeline for reaching that goal, the plan is due in September 2009.

Purchasing carbon credits will likely be part of that plan, Chapman said. But in the meantime: “We’re going to take a more strategic look at going after some of the more difficult conservation measures,” he said.

Meanwhile, to encourage better conservation habits, the university plans to create a building benchmarking program that will allow users to track data relating to energy consumption of each building on campus. “We want people to be able to go onto the computer, click on any building, and see what it’s doing,” said Clara Simon, the university’s sustainability coordinator for capital projects.

But conservation is only one aspect of a sustainable building, said Simon, whose job is to ensure that the university’s LEED-certified projects—four have been completed; 18 others are currently in the works—are in compliance. Sustainability, Simon said, is about creating great spaces where people feel good, because when people feel happy in an office or classroom, they’ll stay there longer, work harder and learn more. So when it comes to the university’s new buildings and renovations, Simon must make sure that energy efficiency is just one aspect being considered. Natural lighting, water conservation, non-toxic materials, air flow, access to public transportation, and bicycle parking also need to be priorities, she said. “My goal is to get this to be business as usual, because this is how buildings should be built.”

Already, more than 75 percent of the

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WASHINGTON
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UW population commutes to campus in something other than a single-occupancy vehicle. That’s no accident. The university spends $16.5 million a year on its U-Pass program, which subsidizes public transportation and uses innovative parking fee structures to encourage people who choose to drive to do so less.

The department is also downsizing its own fleet of 700 vehicles, which is possible in part because of an innovative vehicle-sharing arrangement it started two years ago; through this “U-Car” program, departments share vehicles that are dispersed around campus, and are only billed for the hours they use them. About a third of the fleet runs on biofuel blends. The university also has half a dozen electric vehicles and three plug-in hybrids, and plans to buy more. It is also trying to encourage more bicycle commuting—already, some 5,000 students, faculty and staff pedal their way to campus on any given day—by adding indoor bicycle enclosures to existing outdoor bicycle racks and lockers.

The goal, said Josh Kavanagh, director of transportation services, is to avoid committing more infrastructure to cars. “If we can forestall that infrastructure, people will find another way,” he said. Keeping the car culture to a minimum is key to the university’s future, he said. Not only does it result in a healthier and less stressful environment for students, faculty and staff, but it ensures that the university can get the community and political support it needs to continue to expand. So while environmental stewardship is near and dear to Kavanagh’s heart, “the true underlying passion for me,” he said, “is higher education and keeping that accessible to people.”

Michael Meyering is equally passionate about his work. He is project manager for UW’s Housing and Food Services composting and vending, and since January of 2007 has been trying to reduce the amount of waste it produces, researching and testing new ways to package and serve products. Styrofoam is out; compostable cups coated with poly lactide or cornstarch are in. Polystyrene forks, spoons and knives are out; compostable cutlery made of corn and potatoes is in. Soon plastic wrap will be out, too, replaced with biowrap made from cornstarch.

Meyering estimates that there is a 75 percent participation rate in the composting program, up from about 40 percent when, spurred on by concerned students, faculty and staff, Housing and Food Services instituted the program a year and a half ago. (The dining halls had been composting their kitchen waste and coffee grounds since 2004). Not only has UW kept more than 500 tons of material out of the landfill, including an estimated three million pieces of cutlery, it has also seen its disposable packaging costs drop by nine percent, according to Meyering. That’s partly because the university requests that vendors reduce and improve their packaging. “We want to hold them responsible,” said Meyering. And that has implications far beyond the University of Washington: By networking with other colleges and universities that have similar concerns, Meyering hopes to influence the way those vendors do business off-campus, too.

Now Housing and Food Services, encouraged by SEED, is beginning to expand its composting program from the dining halls to the residences halls, which is where much of that take-out packaging winds up. At this point, only one residence hall is part of a pilot program; eventually the idea is to have composting available in all of them, so the university can achieve its goal of zero waste—either recycling or composting everything that isn’t used.

“It’s a very noble project,” Meyering said. “If we can create an environment with zero waste, I think we’ll impact how students look at the planet and how they treat it.”

That’s how Tracey MacRae feels. As general manager and executive chef of the university’s popular McMahon 8 dining hall, she’s doing what she can to minimize the university’s footprint and promote healthy eating habits, taking into account the nutritional content and environmental impacts of the ingredients she’s using. Given budgetary considerations, that’s not always easy, but it’s important, she said.

“The way I can effect change is in my own house,” said MacRae, who came to the university six years ago when it was ridding McMahon 8 of single-occupancy take-out. “Sometimes you feel like you can’t make a dent in the amount the campus population produces. I try not to be complacent.”

Sue Hodges Moore, Northern Kentucky University vice president for planning, policy and budget, and Gail W. Weis, vice president for academic affairs, says the university cannot suffer more budget cuts and still play a key role in regional economic development.

Editorial Board

Lots of taxpayer-supported universities mumble about contributing to economic development but don’t follow through—a survey of American Association of State Colleges and Universities presidents and chancellors found that fewer than half believe their schools are closely linked to their communities. But NKU is making a name for itself by adding programs in such eminently practical disciplines as entrepreneurship and information technology management, opening a Center for Civic Engagement, even making faculty hiring, tenure and promotion contingent on community service along with teaching and research.

“Regions that make talent a central priority are anchored by high-performing universities that not only nurture talent in their classrooms and laboratories but also apply their knowledge to advance regional economic and social progress,” asserts the school’s strategic plan, which was the subject of a case study at the Harvard Graduate School of Education. “They are stewards of their regions.”

NKU was singled out by George W. Bush as an example of how public universities can be partners in economic competitiveness with businesses and civic institutions. It was one of 13 universities that helped the Carnegie Foundation for the Advancement of Teaching devise a vol-

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ber of Kentuckians with bachelor’s degrees to 800,000, as a means of supplanting the state’s traditional economic mainstays of coal-mining, horse-breeding, bourbon and tobacco, with advanced manufacturing, finance, healthcare, business services, and technology. That’s the reason for the push to boost enrollment—and the attraction, it seems, for rising numbers of aspiring students.

To make the area more economically competitive, the university has taken on uncommon and audacious roles, beginning not with entering freshmen, but with elementary-school children; training local teachers in such areas as math and science; recruiting high-performing high school graduates to attend the university; nudging its own students toward programs that meet the needs of local business—information, finance, science and technology, healthcare and social services; and working to attract bachelor’s degree holders from other states by beefing up its graduate-level offerings and enrollment, in a “brain-gain” strategy meant to reverse Kentucky’s brain drain by attracting some 8,600 college graduates from outside the region by 2020.

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urrent higher education classification of “community engaged,” and was one of 76 institutions ultimately granted that distinction.

Noting that its new arena “testifies to the university’s growing prominence in the economy of this region,” the Cincinnati Enquirer lauded NKU as a major local asset—this at a time when many other universities have yet to lower the fences that divide them from their neighborhoods. Votruba chaired an AASCU task force on public engagement (it found, among other things, that most universities were more concerned with adding programs, faculty, and buildings than contributing to local social or economic well being) and delivered the annual AASCU President-to- Presidents lecture on the topic. “Leading the Engaged University.” He has been nicknamed “the mayor of Northern Kentucky” and was ranked the region’s eighth most influential person by Cincinnati Magazine.

Northern Kentucky seems a fertile place for such collaboration. Medium-sized metropolitan areas like greater Cincinnati are attractive to business, with low costs of living (Cincinnati’s is fully ten percent below the national average, and its housing prices 20 percent below), and with services employers need, including law firms and advertising agencies—without the unions and big-city social problems businesses don’t want. Cincinnati is already home to major companies, including Procter & Gamble, May Department Stores, and Fidelity Investments’ largest branch outside its Boston headquarters. Its new football and baseball stadiums for the Bengals and the Reds huddle up to the Ohio River, which divides Ohio from Kentucky. The area also has creditable cultural activities, and boasts a less-than-24-minute average commute, one of the fastest in the country—an odd thing to promote, it seems, until you experience the unaccustomed bliss of coasting through a weekday rush hour without ever stepping on the brakes.

There are also significant challenges. The percentage of people with bachelor’s degrees in northern Kentucky is as low as ten percent in the western fringes of the university’s service area, far short of the national average of 27 percent. In some districts, the high school graduation rate sags below 62 percent. Per-capita income is $28,513, putting Kentucky 43rd among the 50 states. The population is aging, as 25- to 34-year-olds move away in search of higher-paying jobs. Rural Kentucky remains largely agricultural, and what industry does exist is singularly vulnerable to larger economic shifts. Kentucky is fourth in the United States in the number of cars and trucks assembled, for example, and also makes car parts and jet engines, at a time when demand for those things is drying up.

The story of NKU is a cautionary tale in other ways, too. The university’s community-engagement crusade has stumbled against impediments both practical and cultural. For one thing, setting goals risks falling short of them when resources fail to keep pace, as they did here even before the current economic crisis. Kentucky’s higher education system got a surge of cash when it was overhauled under the ground-breaking Postsecondary Improvement Act of 1997, more commonly called House Bill 1, the goal of which was to increase enrollment and improve standards. But budget shortfalls threaten to erode any gains. The state allocation for public universities had already been cut by $23 million last year when it was learned it would be slashed by $41 million more. Now state tax revenue is projected to decline by yet another $900 million this year and next, out of a budget of $20 billion. The governor already has proposed reducing higher education funding by another 12 percent, putting even more of the burden on tuition, which now accounts for nearly two-thirds of NKU’s operating budget, and has been rising steeply.

Raising tuition, of course, makes it harder to increase enrollment. The regional economic plan, Vision 2015, calls for 4,005 graduates per year to be produced by NKU and other local colleges and universities. The state’s Council on Post-secondary Education has an even more ambitious target of 3,149 graduates per year by 2020 from NKU alone, which now produces 1,624. That would require an average annual enrollment growth of five percent, and an increase in the budget from the current $186 million a year to $571 million by 2020. It also means adding 460 tenure-track faculty and a million more square feet of space.

NKU has begun to warn that if the budget cuts continue, it will have to readjust, or at least push back, its enrollment targets. And with seven years to go, the closest answer anyone will give to the question of how many jobs have been created to toward that goal of 50,000 is 2,540, an estimate made by the Northern Kentucky Tri-County Economic Development Corporation. “If we ask ourselves whether the campus is positioned to provide what both the state and the region require of us, the honest answer is no,” Votruba said last year in a somber state-of-the-university address. NKU has publicly forged a united front with its fellow public universities to make a case for holding firm on funding, but there is growing friction as they all vie for the same finite resources. The well-connected flagship University of Kentucky has an ambitious plan itself, to become a top-20 public research university by 2020, by increasing enrollment, hiring new faculty, and increasing research spending. This would require an annual budget reaching $1 billion, $421 million of which would be requested from the already stretched state general assembly.

Meanwhile, despite the attempt of House Bill 1 to foil costly duplication by each state university an explicit mis sion (the University of Louisville’s, for example, is urban research), the universities have their own ideas. The University of Louisville angered frustrated legislators by planning a research center in rural health, and Western Kentucky University asked for a saltwater shrimp biotechnolo gy program, even though Kentucky State already has a freshwater shrimp production center, and Western Kentucky University is 727 miles from the nearest ocean. Meanwhile, other areas, like Austin and Charlotte, threaten to surpass Kentucky with their own ascendant university-community alliances, to the frustration of Votruba. “The risk is that we lose momentum and become like everyone else,” he said, gazing at the Cincinnati skyline through the windows of his office.

And everyone else seems busy hoarding what they have. Universities often measure their success by how many programs they can add—how many buildings they can build, how much grant money they can get—all to build up their prestige, Votruba said. Yet, from their beginnings, public universities “were never meant to be ends in themselves. They were seen as vehicles to achieve a larger end, an important partner in nation-building, or, more to the point, in region-building. As any industry matures, it runs the risk of losing touch with the constituency it serves,” Votruba explained, citing the American auto industry as an example. “I think that has happened with higher education.”

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To make the area more economically competitive, the university has taken on uncommon and audacious roles.

Amanda Neace and Keith Wilson, editors of the Northern Kentucky University student newspaper, wonder if the campus can continue its rapid growth in the face of state budget cuts.
Have faculty been universally enthusiastic about community service? “The answer to that is unequivocally no,” said Dale Elifrits, a veteran professor and NKU’s director of pre-engineering and outreach. Even there, he said, some faculty just won’t do it—even though the university has made “public engagement” a condition of hiring, tenure and promotion. Votruba’s quip about the faculty senate notwithstanding, Elifrits said, “We have our group of faculty members and we know, no matter what we call and ask for, if they have time, they’ll do it. And we know who we shouldn’t even bother calling. The fundamental drive by universities to require or encourage faculty to publish and get outside research money is all-consuming.” As for himself, Elifrits said, “My own view of a faculty member is you have a responsibility to the public to expand the body of knowledge, which includes reaching out to your community and helping to improve their lives and their productivity.”

He urges his colleagues to “Please, open your cars and your eyes to the world that’s out there and how you fit into it.”

While, as Votruba puts it, other universities and many faculty are doing things the way they always have, NKU has found it slightly easier to do things differently. For one thing, while research is conducted there, it is not primarily a research university like those at which Votruba spent his earlier career (Michigan State and SUNY Binghamton). And NKU is such a relatively young school that there is less deep-rooted tradition to overcome. The first group of faculty members arrived to find one building in a field of mud. They held dual jobs (the registrar also was a chemistry professor), and even planted a community garden. “A lot of universities are trying to move to this community-engagement idea without having had a history of it,” said Gail Weils, the provost. “It’s in our DNA.”

The university’s Center for Integrative Science and Math helps to train math and science teachers. Faculty and students from the music and theater departments teach and perform in local schools. In conjunction with the University of Cincinnati, NKU counsels low-income urban high school students to consider going on to college, and gives full scholarships to any qualified graduate from schools in two border cities where about a fifth of families live below the poverty line. This year it began a Ph.D. program that focuses on educational leadership, its first doctorate outside of law.

All of these things stem directly from Vision 2015, the regional development blueprint whose steering committee Votruba co-chaired and which he calls “a textbook example of how a university can graft itself onto an economic-planning process.” Vision 2015 is aimed at trying to stop young talent from leaving, by adding high-paying jobs and improving quality of life with parks and green space, better schools, walkable business districts, even free wi-fi in the airport. And, in a region that is homogeneous white and Catholic, Vision 2015 seeks to produce the kind of racial and ethnic diversity employers want.

(NKU has pushed for this last goal by, among other things, granting domestic partner benefits to unmarried employees, and by sponsoring public discussions of such controversial issues as evolution in a Bible Belt state that is home to America’s only “museum of creationism.”)

“One barrier to progress in a community is if it’s insular,” said Mike Hammons, Vision 2015’s president, whose office overlooks the Ohio River from the Kentucky side. “It’s helpful when a university takes the lead in establishing policies that are tolerant and welcoming.”

NKU has done things on its campus, too, that dovetail with the economic growth plan. In only its eighth year, the university’s Fifth Third Bank Entrepreneurship Institute is ranked among the top 25 undergraduate programs for entrepreneurs by Entrepreneur magazine. A study has been lauded by the Princeton Review for the applied nature of the classes. The Infrastructure Management Institute researches management techniques in information technology. The university lured Doug Perry, a cell biologist who helped create the nation’s first entirely new school of informatics at Indiana University, to be founding dean of its own new College of Informatics, which encompasses information management, communication and media, computer science, information technology, and other fields important to the kinds of businesses northern Kentucky is trying to attract. All of the first 235 graduates got jobs, with average annual starting salaries above $50,000.

Word of this is getting out. Since 2005, the number of freshman applicants has jumped 22 percent in spite of higher tuition and heightened entrance requirements. (Western Kentucky University had to increase student fees by $70 a semester to pay for doubling its football budget, and spent $49 million on its stadium when it moved from Division IAA to Division I.)

NKU also has eliminated majors such as aviation management, and though local economic-development types are pushing for an expensive engineering major, it so far has not added one, teaming up instead to run dual engineering programs with the universities of Kentucky, Louisville and Cincinnati.

Even all of that might not be enough maintain momentum. “The reallocation was our attempt to say, ‘What can we do to keep on track?’” said Sue Hodges Moore, vice president for planning, policy and budget. “But that cannot go on forever. Something’s got to give.”

Or, say university officials, the community will have to stand up for the university the way they say the university has stood up for the community. “It’s not all about the institution. It’s about what the state needs and what this region needs,” Moore said. Now comes the biggest test of his community-engagement strategy. Votruba said, “The more tangible benefits they see accruing to them, their families, their communities, the more likely people should be to support us at budget time, at advocacy time,” he said.

Hammons, the Visions 2015 president, is a believer. “We were the last regional university established in Kentucky, and in a sense we accepted that,” he said. “Whatever we get, we felt we were lucky to get it. But about ten years ago that changed. We became a whole lot more aggressive, and we spoke as a community. And it’s really important for the state to keep focused not on how we can cut the pie more, but how we can increase the pie.”

Back at the ribbon-cutting for the Bank of Kentucky Center, which is connected to the rest of the campus by a pedestrian bridge, Votruba wielded his giant scissors again and again with various groups of political and financial backers. “Last night, I got served a little bit too much of that poison, baby,” Carrie Underwood’s voice croons from the speakers. “Last night, I did things I’m not proud of/And I got a little crazy.” The camera was rolling.

The university is trying to offset its continuing budget hits by finding new ways to save money—and to make it. Despite the $3.3 million cut in its $55 million state allocation this year, it shuffled the budget enough for 61 new full-time and 116 part-time faculty. It plans to earn a profit from the Bank of Kentucky Center, and to add a money-making $30 million hotel, retail, restaurant and office complex at the entrance to the campus. It built the student center with the proceeds of a fee that students levied on themselves (in a poll by the Northern, 63 percent said they considered it a good investment), saved $20 million that was to have been spent on a new dorm by converting a nearby former nursing home instead, and opted to forgo moving to NCAA Division I, which would have required $25 million in facility improvements. (Western Kentucky University had to increase student fees by $70 a semester to pay for doubling its football budget, and spent $49 million on its stadium when it moved from Division IAA to Division I.)

Audience members ask questions. Votruba answers them. Everyone seems satisfied. The air is thick with optimism.

“People who came here like me just a few years ago wouldn’t believe how much this place has changed.”

Now the question is whether that momentum can continue. The university is trying to offset its continuing budget hits by finding new ways to save money—and to make it. Despite the $3.3 million cut in its $55 million state allocation this year, it shuffled the budget enough for 61 new full-time and 116 part-time faculty. It plans to earn a profit from the Bank of Kentucky Center, and to add a money-making $30 million hotel, retail, restaurant and office complex at the entrance to the campus. It built the student center with the proceeds of a fee that students levied on themselves (in a poll by the Northern, 63 percent said they considered it a good investment), saved $20 million that was to have been spent on a new dorm by converting a nearby former nursing home instead, and opted to forgo moving to NCAA Division I, which would have required $25 million in facility improvements. (Western Kentucky University had to increase student fees by $70 a semester to pay for doubling its football budget, and spent $49 million on its stadium when it moved from Division IAA to Division I.)

Each campus is to be a “Living University,” and whose enrollment policy earned it the nickname “No Knowledge University,” and whose cutbacks continue, it will have to readjust, or at least push back, its enrollment targets.
Should You Be Worried?

College financial aid and the credit crisis

By Robert Shireman

I CAN SAY with 100 percent certainty that every eligible student who wants a federal student loan will be able to get one. It is true that a number of loan companies have gone out of business, and as someone who has been laid off in an economic downturn, I feel for those companies’ employees and for their families. But the fate of those companies does not portend the future of federal student loans generally. In fact, there has not been one case of a student or parent who can’t get the federal loan that they are eligible for. And there will not be even one case. Perhaps this seems an audacious claim in the current economic climate. But I am not really going very far out on a limb.

It is no accident that federal student loans are the only consumer loans that have not suffered a serious retrenchment in this credit crisis. That is because they are not actually “consumer loans.” When a bank makes a federal student loan, the bank is not making the loan based on the expectation that the student—the consumer—will be able to repay the loan. The bank is paying attention to the cosigner on the loan: the U.S. government. As taxpayers, we are the ones who are borrowing the money, with the hope that we won’t actually have to pay the loan back, because the students will prosper and be able to repay it.

Some student loan companies shut their doors, and some banks cut back on their lending because many had come to rely on the same financing mechanisms (asset-backed securities) that were being used for mortgages. When problems with subprime mortgages begin to undermine confidence in those markets, securities backed by student loans fell along with all of the other dominoes. For mortgages and other true consumer loans, the credit freeze has been difficult to thaw. Taxpayers can’t just make good on all those mortgages, because doing so would reward lenders who had made bad decisions about whom to lend to and how much the properties were really worth.

But the federal student loan program is different. Lenders don’t make any of those underwriting decisions. The federal government—in partnership with states, accrediting agencies, and financial aid administrators at colleges—determines which students should get loans, how much they should get, whether the schools are worth it, and what the interest rate and other loan terms should be. As Sallie Mae’s CEO explained in July, “There’s a master promissory note, servicing standards, and [subsidy levels], all determined by the Department of Education. We don’t control anything.”

That’s why it was not a monumental shift for the federal government to decide, last May, to give lenders direct access to cash for making federal student loans. Congress and the Department of Education took a system that was already wholly financed by the full faith and credit of the U.S. government, and turned it into a system that is still wholly financed by the full faith and credit of the U.S. government. In 1993 Congress had made a similar shift—inefficient from a balance sheet perspective—by allowing schools to bypass the banks and make the federal loans directly to students.

Whichever way the funds are delivered to students, the money comes from investors who trust the federal government’s ultimate ability to repay. The federal Pell grant, too, could fall victim to the crisis. Congress a year ago promised much needed increases in the size of the grant and took steps to finance the boost. However, now that more people are applying for financial aid, and more of them qualify for a grant, the cost of the program is far exceeding the pre-recession projections.

Congress’s new priority for higher education should be to fill these holes in the college financing system. Doing so represents an urgent investment in improving skills and bolstering our economic productivity as a result. Accelerating increases in the Pell grant program will help to cushion students against the tuition increases they are going to face. The federal government should also provide funds to states aimed at maintaining the enrollment capacity of public college and university systems, and encouraging need-based grant aid. More than in good economic times, Americans need the option of an affordable and high-quality college education.

This brings me back to loans, because even if grant aid is increased, there will still be a rise in the demand for loans. To a large degree, the federal loan program will accommodate that additional demand without any further action by Congress. Parents who had previously relied on private student loans or on home equity lines of credit are discovering that they can tap federal PLUS loans, up to the total cost of tuition, books and student living expenses, that additional demand without any further action by Congress. The system as designed does not accommodate every circumstance, however. As in the past, there will be sympathetic stories of students facing financing gaps. These will tend to involve traditional-age college students at private colleges, with parents who are unable to help with tuition as much as they might have hoped. While these dependent students—who are under 24, not married or a parent and not veterans—can now borrow $31,000 in federal loans for their undergraduate education, that may not be enough.

These stories, which are likely to appear more frequently than in the past, due to the state of the economy, will fuel a drive for large increases in loan limits, or even lifting the limits altogether to allow students to borrow up to the full cost of college. That would be an imprudent, counterproductive and damaging step for the federal government to take. Some colleges would take advantage of the unlimited federal entitlement by cutting aid and sending tuition charges into the stratosphere.

Young adults’ optimism about their coming prosperity is the engine that fuels American ingenuity. But it also leaves many of them vulnerable, eager to do whatever it takes, whatever the college recruiter suggests. Federal loan limits serve as a stopping point, helping to ensure that these students take some time to seek out guidance and financial help from family and from counselors, and that they think twice about attending a “dream” college or trade school that may turn out to be a nightmare to pay for. Too much credit too easily: Without a hole in the budget that needs to be filled there is less reason to economize, to seek that scholarship, or to ask dau or grandma to pay a share. Much more of the costs would end up on the student’s shoulders, long after college.

I suggest a different solution to help the dependent students who genuinely need additional loans. College financial aid officials should have access to a substantial, but not unlimited, pot of additional loan funds to allocate to students who face exceptional circumstances...
Robert Shireman is executive director of The Institute for College Access and Success: www.ticas.org.

Tyranny of the Enlightened
Teaching students to listen to one another in a time of divisiveness
By David L. Kirp

The public policy courses that I teach at Berkeley traffic in the controversial, with gay rights, abortion, racism and religious liberty among the topics canvassed. These are the kinds of issues that stir the passions and make for tricky pedagogical terrain.

During the course of a typical semester, there comes what I think of as The Moment. An intrepid student gives voice to an unpopular point of view—arguing, say, that abortion is immoral—and a murmurous hiss, punctuated by snickers and head-shaking, blankets the class. At those moments—what I think of as the tyranny of the enlightened—I envy my colleagues who teach microeconomics or mechanical engineering, subjects that are less likely to produce incitements.

What brought The Moment to mind was a survey of students' views on free speech and discussion that was recently conducted by the University of Georgia system. The impetus for the survey came from Republican lawmakers who, egged on by their constituents, suspected liberal professors were offering slanted positions and muzzling dissent. The university officials who teach microeconomics or mechanical engineering, subjects that are less likely to produce incitements.

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The survey confirms that Georgia's campuses are rife with intolerance of unpopular views—but fellow students, not professors, turn out to be the biggest problem.

Only 13 percent of the students faulted their instructors for presenting their political opinions as gospel, and most of those students felt free to disagree. By contrast, a majority believed that their classmates were not open to hearing viewpoints that differed from their own. At Berkeley, political correctness is the province of the left; in Georgia, where an equal number of students identified themselves as liberals and conservatives, such intolerance prevailed across the spectrum. Conservatives and liberals were equally likely to view their classmates as closed-minded.

Dissecting students paid a price for being out of lock-step. “Being a conservative while being in college has given me the chance to be told that I’m wrong by many students,” wrote one student. “One topic that I feel very passionately about is the right to bear arms, and never have I expressed my opinions on this issue without another student attacking my opinion as though the mere thought of someone with an opposing view was someone worth crushing to wipe away as a thought.”

The moment the right was equally common. “It seems that so many students in my classes are extremely right-wing for either religious reasons, or because they’re against taxes, or because they are following in their parents’ footsteps,” wrote a self-described liberal. “I feel like being liberal in any way is frowned upon, especially if these liberal opinions on certain topics are not consistent with Christian views (i.e. pro-choice).” I’ve seen students get attacked just because someone thought the person might be a liberal.”

Faced with such hostility, all but the bravest quickly learn to keep their contrarian opinions to themselves. Most professors feel helpless when faced with such situations. Rather than wading into the fray, teaching students how to listen to one another, they leave it to the students to sort things out for themselves. That’s an abdication of their responsibility to teach students how to engage in conversations that are both tough-minded and civil, to give them the tools they need to harness their passion in the service of analysis, to show them how they can argue with one another without shutting their minds or reaching for the cudgel.

Back to The Moment. In an undergraduate class on AIDS and public policy that I taught some years ago the topic for one session was unsafe sex. A student advanced the “marriage as civilizing force” argument: Because gay men were prevented from marrying, she said, they were more likely to engage in unsafe sex. Another student, who happened to be an African American woman, disagreed. “Gays are naturally promiscuous,” she said. “Even if they were allowed to marry they’d still be behaving that way.”

There came that murmurous hiss. A dozen hands shot into the air, as students readied themselves to pounce on their classmate. Rather than inviting the bloodbath I decided to take the riskiest step of my teaching career. “Suppose someone told you that it wouldn’t make any difference if blacks and whites had equal resources because blacks are naturally less intelligent than whites,” I said. “How would you respond?”

I held my breath, imagining the career-ending headline: “Professor says blacks are less intelligent.” But I knew these students. I believed that they would trust the give-and-take of the class, and I was right. “That’s a stereotype,” the student responded—and then the light-bulb went off as she saw what was wrong with her earlier argument.

There are far safer, and probably smarter, ways of getting students to see both sides of passion-provoking issues. “To play devil’s advocate” can be a useful device because it enables students to voice unpopular ideas without having to claim them as their own. Role-playing is another valuable strategy. My class sessions on the abortion cases used to be a disaster: Pro-choice students completely dominated the discussion, and those who disagreed were cowed into silence, afraid to risk ostracism. The dynamic changed when I divided the class into pro and con groups—indeed, while most of the students disagree strongly with the “pro-life” position, when they’re assigned to that role they often make the strongest arguments.

“Any time there’s one of those recognize me as a liberal from the day I was born. I call it a hault to the proceedings and talk about why civility and respect matter so much. “The stakes are high,” I say. “If the ideological divisions in the country run the gamut from A to Z, the range in this class is A to B. If we can’t listen to one another, then we should give up on the possibility of using reason as a tool of persuasion.” Somehow the message sticks—at least until the end of the term.

When Susan Herbst, the chief academic officer of the University of Georgia system, saw the results of the student survey, she was naturally pleased that the “biased professor” argument didn’t hold water. (Conservative legislators came to the same conclusion: a tribute to the power of reason.) Herbst was troubled by the students’ closed-mindedness—they needed to realize that universities are a place to go to feel uncomfortable intellectually, she told Inside Higher Education in August 2008.

That is not only a desirable state of affairs—it’s essential if universities are to incite thinking. But it is not the natural state of affairs in a society where “fair and balanced” has become code for slanted, where niche markets pitch their wares to the ideologically like-minded, the university needs to be a counter-balancing force.
A Dismal Record
The United States remains inhospitable to many academic guests from abroad
By Robert M. O’Neil

WHILE MOST outspoken professors based in the United States have fared far better than one might have expected after the September 11 terrorist attacks, the same could hardly be said of controversial foreign scholars who seek to teach and to address academic gatherings in this country.

The most troubling case remains that of Middle Eastern scholar Tariq Ramadan, whose U.S. visa was summarily revoked while he was en route to assume a tenured professorship at the University of Notre Dame (the Henry Luce Chair in the Joan Kroc Institute, no less—where, as the Chicago Tribune quipped, “one would hardly expect to find dangerous radicals.”) Apparently Ramadan—whose own writings and teachings (if critical of U.S. policy in the Middle East) could hardly have been deemed incendiary—became persona non grata to the Department of Homeland Security because of his grandfather’s role in founding a suspected terrorist group.

Efforts by Notre Dame and many U.S. groups proved unavailing; Ramadan quietly took a teaching post at Oxford while accepting an ironic appointment to a high-level U.K. commission studying terrorism. A lawsuit in federal court on Ramadan’s behalf eventually forced the U.S. government to provide a rationale for his exclusion—minimal contributions to a charity with suspected terrorist ties—but in January 2008, the dismissal of that suit by a seemingly sympathetic judge ended any realistic chance for a visa reversal.

Another quite different, though equally disturbing, case is that of South African scholar Adam Habib. Despite invitations from prominent U.S. organizations (notably the American Sociological Association), the government initially denied Habib’s visa request and then failed to process a later application, apparently because of a Patriot Act clause that permits a scholar’s exclusion on the basis of unspecified “terrorist activities.” Several putative U.S. hosts brought suit in federal court on Habib’s behalf in late 2007.

The American Civil Liberties Union provided counsel to the plaintiff groups, arguing that the Patriot Act’s exclusionary provision abridges the free speech and academic freedom of those domestic scholarly groups that have persistently but unavailingly sought Habib’s presence as a speaker. The case remains unsolved, despite Habib’s stature and that of his domestic sponsors.

There have been several other less widely publicized but troubling exclusions of visiting scholars. Riyadha Lafta, a distinguished Iraqi professor of medicine who wanted to share with U.S. audiences his research on unusually high rates of cancer among children in Southern Iraq, was refused a visa. The basis for his exclusion was apparently Lafta’s co-authorship of an article in a British medical journal that contained an unwelcome estimate of the number of Iraqi casualties since the U.S.-led invasion. A liberal Greek economist, Yoannis Milios, saw his visa revoked on arrival in the U.S., and was questioned at length regarding his political views (rather than being allowed to enlighten an American audience about them, as he had intended) before being put on a plane back to Athens.

Beyond such blatantly political barriers, impediments to entry have taken a subtler toll on artistic exchanges. No less eminent a spokesperson than cellist Yo-Yo Ma recently warned a Congressional committee that the barriers to even apolitical foreign musicians “have become extraordinarily high.” Several groups from abroad had become exhausted by (or fearful about) the protracted and cumbersome process required to obtain a visa, and simply abandoned the effort altogether, with grave loss to those who would have been their U.S. audiences, as well as to the performers themselves.

There has, however, been one bright spot in the otherwise bleak view of the fortunes of visiting scholars. Wikea Ari, a Bolivian historian with a Georgetown Ph.D., accepted a faculty position at the University of Nebraska-Lincoln, only to be denied a visa for unspecified reasons. The university kept the offer open while filing suit in federal court on Ari’s behalf. The complaint insisted that Ari had satisfied all visa requirements, and faulted the government for offering no reason for the negative response. In the summer of 2007, without official explanation, Ari was summoned to the local U.S. consular office in Bolivia, where he received his visa. He was thus able to begin teaching at Nebraska in the fall semester, and he addressed the American Historical Association at its annual winter meeting.

So favorable an outcome suggests the potential value both of strong institutional support and of seeking legal recourse, although other potential visitors like Tariq Ramadan remain barred from the U.S. despite such efforts. Indeed, what remains striking is the rarity of such intervention on behalf of controversial foreign scholars, and the generally dismal record of the United States in the post-9/11 period as a host to academic guests from abroad.

Strikingly parallel in complexity has been another international dimension of U.S. academic life—travel to Cuba for purposes of research and study. Here the current legal landscape offers a puzzling paradox of success on one hand and unrequited hope on the other. In late summer 2008, a federal judge in Florida struck down on constitutional grounds a state law that effectively barred state university professors and researchers from traveling to Cuba for scholarly purposes, even with support from private or other non-state funds. The law, enacted two years earlier, banned the use not only of Florida state appropriations for travel to countries (including Cuba) labeled by the U.S. government as state sponsors of terrorism, but also forbade using non-state funds for that purpose.

Although an earlier ruling initially upheld the law, the federal judge in late August split the difference in Solomonic fashion. While holding that Florida could constitutionally limit such use of its own funds, the court found the non-state funding bar wholly at variance with the foreign affairs powers of the president and thus violative of the Supremacy Clause of the Constitution. The judge eventually rejected First Amendment challenges to both clauses, although the primary ruling made those challenges moot.

A recent challenge to federal restrictions on courses taught in Cuba by U.S. colleges and universities yielded a far less happy result. The Treasury Department’s Office of Foreign Assets Control (OFAC) several years ago issued regulations that bar short-term study trips to Cuba (less than ten weeks in duration), demand that only full-time tenured faculty members may lead such trips, and forbid U.S. host institutions to enroll students from any institution other than their own. Any U.S. institution wishing to offer courses in Cuba, even within these severe constraints, must obtain an OFAC “generic license.”

Under the auspices of the Emergency Coalition to Defend Educational Travel, 450 Cuba-related professors brought suit in federal court, claiming that the regulations severely hampered their research and teaching (and the study options of their students) in a critical area, thus abridging free speech and academic freedom. (The immediate impact of these rules had been devastating: U.S. study abroad programs in Cuba dropped from roughly 200 to a mere handful after the regulations took effect.)

A late summer ruling by the district court rejected all the plaintiff’s claims and upheld the OFAC embargo. The judge deferred broadly to the government’s asserted national security interest, accepting as “important” and “substantial” the stated goal of limiting the flow of U.S. currency to the Castro government. The court also rejected the asserted academic freedom and free speech claims, on the grounds that the challenged rules were “content neutral” and would have been vulnerable only if they reflected viewpoint or content bias—despite the manifestly selective focus of such rules in targeting the study of or travel to a particular country.

In a happier vein, one should note that OFAC does not always succeed in curbing international cooperation. For several years the editors of U.S.-based scholarly journals challenged OFAC regulations that compelled any academic journal to obtain a license before even editing manuscripts submitted by authors from any of the five embargoed countries (Cuba, Iran, Iraq, Libya and Sudan).

The rules also effectively barred U.S. scholars from co-authoring articles with colleagues from any of those nations. Academic publishers reacted in varied ways. Some scrupulously avoided any possible violation, while others openly flouted rules they deemed not only indefensible but in clear contempt of clearly expressed Congressional intent to permit such collaboration.

Once again it took a lawsuit to break the deadlock, but litigation did prevail. In the fall of 2007, facing a probably adverse court ruling, OFAC essentially lifted these barriers, retaining the licensing requirement only for publications that involved militarily sensitive content or direct collaboration with an official of an embargoed nation. Although some uncertainty remains over when a professor at a state-controlled Iranian university must be deemed a “government official,” most of the venom has been removed from one of OFAC’s more intrusive regimes. The outcome seems once again to illustrate the value of litigation as a way of getting attention to academic freedom issues and protecting the rights of scholars and students in these anxious times.

Even at home, all has not been smooth or quiet for outspoken professors. Two quite recent cases remind us of the need for caution even about the domestic scene. Early in 2008, national attention focused on the role that University of California law professor John Yoo had played when he took leave from his faculty post soon after September 11, 2001 to serve in the Justice Department’s Office of Legal Counsel. In that role, he wrote several memos that were later revealed to condone certain interrogation practices in Iraq and Afghanistan that were later disavowed by the Bush Administration and condemned by
deadlocked on others. Prosecutors who had failed to obtain a conviction on any of seventeen counts of terrorist conspiracy eventually agreed to a plea bargain under which al Arian would have been released (and promptly deported to Egypt) in the spring of 2007. His release did not occur, however, for another year and a half. Incredibly, despite his liberation, al Arian remains in contempt of a federal judge for refusing to testify against alleged fellow terrorists, without receiving an adequate grant of immunity—a state of jeopardy which the Supreme Court confirmed by refusing review in October 2008.

The al-Arian case is distinctive, if not unique, in several respects among post-September 11 threats to academic freedom. For one, the University of South Florida was justifiably faulted for suspending a long-tenured professor without due process, as well as for barring him from entering the campus, ostensibly on the basis of mere adverse publicity; although USF officials apparently knew about the forthcoming federal indictment, they could not publicly invoke such forebodings. Much later, al Arian’s effective exoneration by the federal jury brought no removal from university officials, though his severedness had been triggered by the indictment. Finally, USF had earlier sought a judicial imprimatur for its efforts to dismiss al-Arian; an impatient federal judge quickly dismissed the case, remitting the university to internal remedies that must precede any quest for court review.

A host of other outspoken university professors who might well have been targeted for reprisal have fared far better in the anxious times since the terrorist attacks. The New Mexico historian who told his freshman class on the afternoon of September 11 that “any-one who can blow up the Pentagon gets my vote” and the California English instructor who a week later reportedly accused his Muslim students of “flying two planes into the World Trade Center” were both suspended with pay, but eventually reinstated (albeit with a repri-

man) after exhaustive inquiry.

Even the contentious Ward Churchill was exonerated on free speech grounds after post-
ing an article which lambasted some World Trade Center victim “Little Eichmanns” and lauded the hijackers for having “manifested the courage of their convictions.” His eventual dismissal from a tenured post on the Boulder campus resulted instead from proven charges of research misconduct and clearly not from his controversial writing or speaking on politi-
cal issues. Other academics who have expressed similarly uncongenial, and even abhorrent, views in the seven years since the hijackings have fared far better than their controversial predecessors during the McCarthy era of a half century earlier—or, for that matter, better than a seasoned observer might have expected on the morning of September 12, 2001.

Finally, the prospects for international students attending U.S. campuses remain curi-
ously mixed. On one hand, the actual number of foreign students has continued its modest rise since the dramatic drop in the year or two immediately after September 11. Meanwhile, however, as a May 2008 conference of the Association of International Educators noted, re-
cent reports confirm that many academic visitors still experience major delays both in ob-
taining U.S. visas in their home countries and in gaining actual entry to the U.S. upon ar-
ival. A surprising number of such students reported that concerns about visa issues actually hampered their studies on U.S. campuses; many said they had, for example, declined invita-
tions to attend scholarly conferences in a third country because of uncertainty about their return prospects.

At that same conference, however, Homeland Security Department officials unveiled plans for a substantially friendlier SEVIS (Student and Exchange Visitor Information System) for screening and clearing foreign visitors, scheduled to go online by fall 2009. The core of the new system would be the creation and maintenance of a single record for each foreign student, in contrast to the currently confusing (and sometimes irreconcilable) multi-
ple records. Skeptics among the international student advisers seemed hopeful, though they recalled past promises that had not fully materialized.

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An estimated two-thirds of undergraduates now borrow somewhere, somehow, to finance their educations.

out $19.1 billion in private loans last year, up from $1.3 billion in 1997, when the College Board’s annual report on college financial aid first took note of that emerging market.

Sometimes dubbed the “wild west” of student lending, the private market is a catch-as-catch-can place where borrowers are on their own to find lenders and negotiate terms. While federal loans are fixed-rate, private loans are generally of the variable type, their rates fluctuating over time and depending on market conditions and borrowers’ credit-worthiness.

As Shayna Murphy discovered to her chagrin, qualifying for a private loan these days can be problematic, as strained lenders, even those who never made sub-prime mortgage loans, have hunkered down into defensive mode and raised the bar for borrowers.

Parents Susan Jones Knape and Patricia Bromfield, though eventually successful in securing private college loans for their children this year, also attest to private lenders’ newfound caution.

For Knape, a Dallas marketing executive, the entire process of applying for financial aid for two freshmen daughters (Jordan and August) at the same time was so “mind-boggling” she had to “stop a couple of times and have a margarita.” Finally, with federal loans in place for Jordan at Pratt Institute in New York and for August at Southern Methodist University, she applied for private loans for both girls. The bank she found required her co-signature on a nine percent note for August and a 12 percent one for Jordan. With regard to the three-point difference, the only explanation Knape can imagine is a ding on Jordan’s credit report because she had once reneged on a contract with a gym.

Patricia Bromfield, an information technology specialist in Joliet, Illinois, has had two years of even more puzzling experiences with private loans. Her daughter, Nicole Worthen, now a sophomore at Benedictine University in Lisle, Illinois, got one on just her own signature for the fall semester of her freshman year. Second semester, the same lender required a cosigner and accepted Bromfield. The rate both times was an “astounding” 14.25 percent. Bromfield said, but the lender was easy to work with.

Not so for Nicole’s second year, when the same lender demanded two cosigners. At that, mother and daughter—separately, together and with other possible cosigners—began applying to “everybody and anybody” for a private loan. Ultimately, the originator of Nicole’s federal loans came through with a private one at 10.25 percent, with Nicole’s boyfriend serving as cosigner.

Bromfield is mystified about why this year’s rate is lower than last year’s, and why the lender allowed the boyfriend, who has no credit history, to cosign. She dreads next year, when Nicole’s twin brother, Nicholas, now attending community college on minimal federal loans, expects to transfer to a four-year school. She just hopes it won’t be a private one. “This loan situation is getting to be a nightmare,” she said.

To James A. Boyle, president of the 95,000-member College Parents of America, the loan situation is, at root, a college-pricing problem. “Colleges are raising their price because they can, because there’s a large cohort of students coming through high school,” he said. “Couple that with the fact that there are more families that recognize that a college education is important to success...There’s a strong demand for seats in college, and there’s a fixed supply, and that causes the price to go up.”

Boyle’s prescription is for colleges to rethink their financial aid policies and limit the merit aid many use to attract better students, a practice that only raises the sticker price for all, he said. “There needs to be greater emphasis on need-based financial aid.”

Meanwhile, quicker, smaller fixes for lenders and borrowers are already in place, the results of the Ensuring Continued Access to Student Loans Act of 2008. To lenders, the law extended a help-

Last year, students borrowed nearly $66.7 billion in the federal government-backed loans alone, an inflation-adjusted increase of 70 percent in a decade.

ing hand in the form of a promise that the federal government would buy from them all federal student loans they could not otherwise sell to raise capital. Originally due to expire in mid-2009, the offer has since been extended for an extra year.

The pledge is widely credited for keeping a worrisome situation from worsening, by keeping federal student-loan money flowing, even if haltingly and through fewer lenders. “It helped avert a crisis by pro-

viding liquidity to the education lenders,” Mark Kantrowitz said.

Borrowers received two immediate and permanent favors from the same act, both portending to make them less dependent on expensive private loans: The act raised the borrowing limits on federal student loans by $2,000, and it improved the terms on federal parent loans.

Now, for the first time, parent borrowers can postpone repayment on their loans as long as students remain in school, just as they have long been able to do with private loans. Parent loans already had the additional advantage of coming with a fixed rate, now 8.5 percent.

Although that might be higher than some initial rates on variable-rate private loans, parent loans are now the better long-term option, according to Beth A. Post, financial aid director at the State University of New York at Albany. So this year the university is showing parent loans as pieces of students’ aid packages and advising applicants about them.

Sandy Baum, a professor of economics at Skidmore College, and a senior policy analyst specializing in college aid for the College Board, welcomes the new parent-loan provision. “There has always been a big question of why it is that parents who would be eligible for parent loans are having their students go instead to the private loan market, where rates are higher,” she said.

“In some cases it’s because parents feel it’s the student’s responsibility to pay for their college education,” and they hesitate to take on debt of their own, said Carolyn LeGeyt, senior associate director of financial aid at Trinity College in Hartford, Connecticut.

Susan Knape didn’t hesitate, but in applying for a private loan, she ran up against their chief disadvantage: In contrast to federal student loans, approval isn’t automatic. Rather, just like private student loans, federal parent loans require a credit check, and in today’s harsh credit...
University students whose Edamerica loans were delayed this fall.

ROBIN NELSON, BLACK STAR, FOR CROSSTALK

For the higher-cost private loans, the search could be even more difficult and, at worst, futile. That’s because these loans are in the same leaky boat as consumer loans in general, subject to prevailing credit conditions. Mark Kantrowitz foresees slim pickings “unless the capital markets recover.” What’s more, interest rates are rising on the private loans still out there.

As a new student-loan cycle for another school year begins amid continuingenvironment lenders have grown more picky about granting them. Given her good job and what she thought was flawless credit, Knape expected to qualify. So she was “flipped out” when she was reject-ed. Investigating, she found that a former creditor had reported a dispute they had had to a credit agency but neglected to note that a settlement had been negotiat-ed. After that one disappointing try, she gave up on private loans altogether.

While the student-loan crunch played on with no end in sight, the 2008 presidenti-al campaign played itself to a close without education issues catching more than the glancing attention of the parties and candidates. Of the two major parties’ platforms, only the Republicans’ specifically mentioned student loans, urging simplifi-cation of the current “Byzantine” system, but offering no specific suggestions.

On the campaign trail, John McCain vaguely pledged to fight to make student loans more affordable. Barack Obama came out for a gradual switch to “direct lending” of federal loans and elimination of the prevailing system, by which student loan companies, banks and state agencies make these loans, and the government guarantees them.

In doing so, he was endorsing an idea that originated in the administration of George H.W. Bush—that it would be cheaper, faster and simpler for students to draw their federal loan money directly from the federal government rather than through financial middlemen. After President Bill Clinton enthusiastically took it up the cause, direct lending began in 1994 in a small way, with about 200 colleges and universities taking part, and accounting for just four percent of federal student loan dollars.

Three years later, hundreds more schools had signed up, and one-third of federal loan volume was flowing through the direct program. Then, over the next decade, direct volume dwindled, little by little, to 19 percent of the total.

The growth stalled chiefly because of opposition, and then competition, from the banking industry, which managed, even as direct lending began, to persuade Congress to put limits on it. The argument against it was a classic free-market, anti-government one—that students would be best served by a marketplace where multi-ple providers contend for their business.

That indeed proved to be the case, according to many financial aid officials at schools that use the traditional federal-loan system, some after trying direct lending and finding it wanting. Students have benefited, they say, as lenders vied with one another to offer the best rates, repay-ment options and service. Plus, Jane M. Hojan-Clark, director of financial aid at the University of Wisconsin-Milwaukee, said many families appreciate the option of picking their lenders, perhaps ones with whom they already have a comfortable relationship.

In the past year, though, tight money and margins have left federal lenders little room to cut deals, and their service has turned spotty. Meanwhile, “the Depart-ment of Education has proved more reli-able than the banking community” in delivering federal loans, said Martha Harbaugh, financial aid director at Mary-ville University in St. Louis. For 12 years, she added, direct lending has worked so smoothly there that students aren’t even aware of it.

David Wiggins, a senior history major at the university was aware only that his federal loan money had always come through without a hitch, but he had “no clue why.” After direct lending was briefly described to him as a possible reason, he grinned. “That’s awesome!”

The U.S. Department of Education had counted, through mid-September, 400 schools switching to the direct program in 2008. They include returnees Michigan State University and Indiana University Bloomington, and newcomer Pennsylvania State University. Recruits also include a number of community colleges and small private colleges cut off by lenders because their loan volume was too low, said Roberta Johnson, director of stu-dent financial aid at Iowa State University and chair of the National Direct Student Loan Coalition, whose member schools use and advocate the direct approach.

More schools are considering it. Given its experience with Edamerica, Kenne-saw State University will probably look into direct lending, according to Joe Head. A committee at SUNY Albany is studying a switch, having been through “a processing nightmare” with lenders this year, Beth A. Post said. “I can’t imagine a student keep-ing track of what they’re supposed to understand and what they’re supposed to do.”

Will Shaftr, director of business develop-ment for the Missouri Higher Education Loan Authority, cautions that direct lend-ing is not as glitch- or cost-free as it might first seem. That’s because the Education Department hires private vendors to ad-minister the program. “They’re paying somebody to answer the phones and process all of those applications,” he said. And with “more schools panicking and signing up,” he predicted that contractors will not be able to handle the extra volume.

A College Board-sponsored report on student financial aid, published in Sep-tember, takes no sides in the debate over how best to deliver federal student loans. Though largely a plea for streamlining delivery of federal grants, the document argues briefly for lifting federal loan limits as a way of reducing students’ “excessive reliance on alternative loans with less favorable terms and without the borrower protections provided by the federal gov-ernment.”

The National Association of Student Financial Aid Administrators also has “concerns” about private loans, especially the “predatory” marketing practices of some lenders, said president and chief execu-tive Philip Day. As remedies, NASFAA supports raising federal loan limits and increasing federal Pell grants in order to “minimize student debt.”

For harried borrowers, the immediate prospect is for more of the same. Although federal-loan money is abundant and readily available, the financial go-between that arrange the loans are not, meaning borrowers may have to work harder and longer to get the money they need.

Sometimes dubbed the “wild west” of student lending, the private market is a catch-as-catch-can place where borrowers are on their own to find lenders and negotiate terms.

Financial aid adviser Maria Gadberry counsels one of the 1,500 Kennesaw State University students whose Edamerica loans were delayed this fall.