

COLUMN

# Perry's cuts could force tax increase

Our greatest challenge in higher education remains ensuring our schools are accessible and affordable for every qualified student."

So proclaimed Gov. Rick Perry during a 2002 address to community college officials. Unfortunately for many qualified students and community colleges around the state, the governor made this challenge even greater when he vetoed \$14 million in much needed funding to community colleges in June.

Approximately 70,000 students are enrolled at community colleges, and nearly 72 percent of college freshmen attend one. What's more, 70 percent of higher education enrollment growth is at community colleges, which account for approximately half of higher education enrollment in Texas.

Although these institutions are critical in our efforts to increase access to higher educational opportunities and to ensure academic success, the state provides only approximately 31 percent of their funding. The remainder must come from local taxes, tuition and fees and local funds.

To put the impact of Gov. Per-



JUDITH ZAFFIRINI

the governor's actions.

Even more shocking is the governor's veto message accusing the community colleges of falsifying their appropriations request. Having attended every budget hearing, I know that community college officials submitted full and accurate information in their budget requests. That the governor would accuse them of falsehood is beyond comprehension.

The Legislature in good faith chose to fully fund community college employee benefits with general revenue because we understand that community colleges are under-funded and overburdened.

In addition to the \$154 million for higher education group insurance, Gov. Perry also vetoed funding for new community college campuses at Alamo Community College, Austin Community College, Houston Community College, Paris Junior College and Temple College.

Because formula funding is based on student enrollment for the two years prior to the biennium, these funds are critical for the operations of new campuses that cannot receive formula fund-

ing due to the lack of student enrollment data. Gov. Perry's veto will exacerbate the financial difficulties these community colleges will face in providing much needed educational opportunities.

As chair of the Senate Subcommittee on Higher Education, I understand the important role of community colleges in developing a well trained workforce and in providing affordable access to higher education. Accordingly, I will continue to work with Lt. Gov. David Dewhurst and our colleagues who support this important funding to remedy the situation during the interim so that these institutions and their students are not penalized unfairly.

To do this will require the combined efforts not only of legislative leaders, but also of community college leaders, students and their families.

Cumulatively, we must persuade the governor to right his wrong by approving budget execution authority to restore these crucial funds for our community colleges and our students.

(Texas Sen. Judith Zaffirini, D-Laredo, represents the 21st Senatorial District.)



Waco

Tribune-Herald JUN 20 2007

## Perry socks it to community colleges

The presumptive Gov. Rick Perry has struck again.

The governor, who tends to take too many matters into his own hands without consulting with the Legislature, has socked it to Texas community colleges on a matter that could have and should have been resolved in the budget process.

This development comes with a veto of \$154 million in funding for community colleges. That amounts to a \$2.7 million sucker punch for McLennan Community College.

In a written statement, Perry said a budget provision bars the spending of certain state funds on employee benefits if the employees' wages are paid from a source other than state funds.

"Community colleges have violated this provision, using millions of state dollars annually to pay the benefits of non-state-paid employees," wrote Perry. In effect, he said, for fiscal 2008-09 the authorization was "\$126 million too high."

Stunned by this interpretation, community college officials said previous budgets have used the same formula.

Maybe they wonder, as do we, if the governor has ever used the device called the telephone. If the governor made his reservations known about how the budget for community colleges was being drawn up — that it was violating a state policy and that he would veto it — one would presume budget writers would have done things differently.

If this is about community colleges scamming the state, Perry could have shamed lawmakers into honest budgeting. Texans could have debated the matter in the light of day, and there would have been no surprises in this area.

As it is, community colleges now are in a serious bind, which is an all too common condition.

When the community college system was created decades ago, the agreement from the state was that, if the communities provided the infrastructure, the state would pay for operations. That agreement long since has been abandoned. Community colleges increasingly must stretch state appropriations that don't match population growth and the demand for higher education.

This budget cut is particularly troublesome considering this Legislature came into the most recent session with a sizeable budget surplus. Community colleges hardly could have expected a budget hit like this.

This Legislature debated a bill that would have authorized veto override sessions. Nothing came of it.

With Perry making decisions like this without taking full advantage of the deliberative process that lawmaking should be, maybe the next Legislature ought to revisit the notion.

## Cut college funds hard to recover

Community colleges in Texas have a problem, a big problem. And that may well mean that the communities where they sit will be affected, too.

By state law, community colleges are required to provide insurance for their retired and active employees. But the money that the state budgets to fund that insurance was cut Sunday by Gov. Rick Perry.

The shocking thing about the veto of funds - some \$154 million total - by Perry is they were in the budget he proposed in January.

In The Victoria College's case, \$1.5 million earmarked for insurance coverage was yanked from the state's budget by Perry.

Perry made the cut to Victoria College stating that community colleges across Texas had falsified their appropriations requests. This is an issue that has been brewing in the governor's office - community colleges paying insurance to certain employees who are not fully-fledged state employees.

A phone call to Gov. Perry's assistant was unsuccessful.

Victoria College President Jimmy Goodson said, "I'm surprised. It's a great disappointment. We thought we came out of the legislative part all right. This is a significant part of our funding."

Goodson noted that the amount for the insurance was discussed in legislative appropriation hearings in the Senate and House, and nothing was brought up about falsified requests.

"It is the same way we've submitted (appropriation requests) for years. We've been doing this kind of budget since 2003," Goodson said.

The college pays about \$418,000 toward the local insurance cost with the bulk of the insurance funding coming from the state. The 2007-2008 year is covered, but the 2008-2009 year of the biennium is not, to the tune of \$1.5 million.

The college's budget for next year was estimated at \$28 million. The loss of funds amounts to a little more than 18 percent of

the budget. "This will complicate the way we do things for this community," Goodson said.

"We may have to revisit tuition, taxes and trimming anything on campus that wasn't absolutely essential."

Trouble is, Goodson noted, the college has been frugal all along. "Most of that non-essential stuff is gone."

State Rep. Geanie Morrison received the news of Perry's veto of funds in Atlanta, Ga., where she is meeting with a special higher education commission.

"I am very surprised. I knew nothing about this funding being vetoed," she said.

Morrison said proportionality (amount state pays vs. local college) "was an issue a couple of years ago. It was talked about in the past. I felt that since it was in the budget, it had been resolved."

Morrison was headed back to Austin to look into the matter.

"(This funding) is definitely vital to our community and all around the state," she said.

Meanwhile, Goodson is headed to Austin, as well, for a coordinating-board sponsored seminar. He said he would be conferring with colleagues on the issue.

Goodson remembered a time in 1987 when Gov. Bill Clements vetoed funding for colleges. "We were able to recover it," Goodson said.

Recovering the insurance funding may not be so easy since the Legislature finished its session. A special session would have to be called to even consider retracting the veto.

"I don't know of any recourse at this time," Morrison said. But she said she intends to find out if there is some way to resolve the issue.

Let's hope there is a way to retrieve those funds. Higher tuition, more taxes or both does not sound like a good alternative.

Longview

News-Journal JUN 21 2007

## Thanks, gov: Perry veto a new swipe at community colleges

If, as Gov. Rick Perry's office has claimed, Texas community colleges have been falsifying reports filed with the state, then we expect him to ask Attorney General Greg Abbott to investigate.

If, as we suspect, the claims by his aids are the governor's way of deflecting criticism for cutting into the state's already miserly support of community colleges, then we expect him to tour the state and tell the tens of thousands of often low-income community college students why they are considered second-class citizens of Texas.

Under Perry's watch, students at schools such as Kilgore College, Panola College and Northeast Texas Community College have watched their tuition and fees steadily rise as the state has continued to shortchange the institutions that are considered the best gateway to higher education for many Texans.

So it was doubly insulting last week when the governor used his line-item veto power to cut \$154 million in funding for community college health insurance coverage in the second year of the two-year budget just adopted by the Texas Legislature.

The first slap is the insuation that community colleges have been essentially scamming the state in order to fund coverage for all of their employees.

First of all, local colleges are denying that they are using state funds to pay for health coverage for employees who aren't supposed to be covered by the state. Secondly, we're not sure what

the real problem would be if the state helped cover insurance for some maintenance people and other support staff. They, too, are essential to the successful operations of schools that serve the post-secondary education needs of many, many Texans.

And that gets us to our second slap. Texas political leaders have yet to do anything comprehensive about getting community college funding back to the status where the state, as once promised, picked up the tab for all instructional costs at community colleges while local districts use taxes, tuition revenues and fees to pay for the facilities and their operation.

For more than a decade, community college leaders have made a case for better support from the state for institutions that are at the forefront of training and educating Texans, yet little headway has been made. As a matter of fact, the state actually backtracked a few years ago, shifting its load back to the local level when the Legislature and Perry were facing a revenue shortfall.

Texas community colleges are a great asset, particularly in a state where so much focus is on raising the education level so we can attract better, higher paying employers to help boost the economy.

That's why it's so frustrating to see that, after all the lip service, when push comes to shove, schools like Kilgore College get shoved a step back??

## Gov. Perry's veto is irresponsible

By Heber Taylor

Gov. Rick Perry's decision to veto funding for the state's share of health insurance premiums at community colleges was senseless and irresponsible.

The claim that he saved taxpayers money by cutting \$154 million to community colleges is preposterous.

What he did was shift a recurring expense from one level of government to another without warning.

What that means in Austin is that the state's financial position looks marginally better.

What that means here at home is that the College of the Mainland was blindsided by a \$2 million bill the state has traditionally paid. Galveston College is facing an unexpected expense of about \$940,000.

State law requires that employees of community colleges in Texas have health insurance. It's not likely that community colleges across Texas are going to "save" money by canceling benefits that have been promised to employees and included in contracts.

And cutting health insurance is certainly an odd notion of cutting pork, which was what Perry claimed to be doing.

He also made some extraordinarily broad accusations that community colleges had falsified records to get the state to pay for purely local employees — workers whose salaries aren't cov-

ered, in part, by the state.

The governor could make a case for cutting funds if he offered real evidence of systematic abuse. But he didn't.

Also, note that he cut funding for these payments in the second year of the biennium, but not the first. If there really were evidence of widespread fraud and abuse, who in his right mind would continue funding for another year?

Local folks should know that officials at College of the Mainland and Galveston College have flatly denied that any of the alleged problems occurred at their institutions.

It would be interesting, after hearing the broad accusations about fraud, to see whether the governor could cite a single example of this kind of problem at a college in Galveston County. And, if not, why cut \$3 million in appropriations to those colleges?

If you ignore the governor's rhetoric, the muddled picture gets remarkably clear.

The veto shifted a recurring expense from the state to the local level. That's all it did.

It's a bit like ordering a big meal in a restaurant for a large group — and then leaving the table before the bill arrives.

If that's what being a fiscal conservative has come to mean in this state, we're all in trouble.

Amarillo

Globe-News JUN 21 2007

## Perry's veto ax cuts too deep

"Our process of funding higher education is seriously flawed."

- Texas Gov. Rick Perry

Make no mistake about it, Texas Gov. Rick Perry has a problem with how the state pays for higher education.

The governor stated clearly and concisely his thoughts on higher education funding when he chopped \$154 million in such funds from the 2008-09 budget last week.

Perry's veto ax hit close to home.

Amarillo College stands to lose \$3.8 million in health insurance funds, a serious financial blow.

Understandably, AC is not thrilled with Perry's veto.

AC President Steven Jones said Tuesday that the college was not expecting this massive slashing, and the only options are to get Perry to change his mind or locate other financial sources.

Here's how the governor explained his vicious veto on his Web site: "This veto deletes fiscal year 2009 funding for Higher Education Employees Group Insurance Contributions for Public Community/Junior Colleges. A budget rider states that 'the funds appropriated by this Act out of the General Revenue Fund may not be expended for employee benefit costs, or other indirect

costs, associated with the payment of salaries or wages if the salaries or wages are paid from a source other than the General Revenue Fund.' Community colleges have violated this provision, using millions of state dollars annually to pay the benefits of non-state-paid employees. To get money for these employees, community colleges falsified their appropriations requests. As a result, their appropriation for fiscal years 2008-09 is approximately \$126 million too high. Community colleges have unexpended balance authority, so they can apply proportionality in fiscal year 2008 and fund most of fiscal year 2009 with fiscal year 2008 savings and the rest with increases provided for instruction and operations."

Give the governor credit for sticking to his guns. His target, however, seems a bit large.

When Perry states that "community colleges falsified their appropriations requests" does he mean all of them?

Because all of them - including AC - will pay the price. And this veto could end up hitting Amarillo taxpayers in the wallet.

It seems unlikely that 50 colleges were falsifying appropriations requests. And a veto that punishes everyone seems heavy-handed, if not unfair.

## Perry damages and insults Texas' community colleges

Chris Adler

Gov. Rick Perry blind-sided higher education last week. Like the schoolyard bully, the blow came out of the blue accompanied by an insult so mean-spirited and groundless as to leave Texas community colleges bruised emotionally as well as financially.

The governor used his line-item veto power to eliminate health-insurance funding for community college employees. Then he accused all 50 community college systems in the state of falsifying health insurance data in an attempt to give employees benefits to which they were not entitled. The state has paid the health insurance benefits for community college employees for decades.

The 80th session of the Texas Legislature held hearings on this issue and recommended a state budget that maintained community college benefits so our institutions can continue to attract and keep the best possible faculty and staff.

How could the governor act like he's just "discovered" a serious misappropriation of state funds? How could he characterize the health benefits that thousands of loyal community college employees have earned for years as "pork?"

Adding another insult to injury, the veto came after the legislative session was over, so there's no opportunity for legislators to overrule the governor's stroke of the red pen. Community colleges must live with this for at least two years.

How will Del Mar College, the largest public institution in South Texas, serving more than 22,000 students each year, cope with this 12th round sucker punch? The dust is still settling, but it means Del Mar College will likely lose \$4 million in state funding for the 2008-2009 year.

A \$4 million loss is equal to nearly a quarter of the state funding Del Mar College received this year. That level of budget shortfall won't amount to just tightening our belt. The college administration and Board of Regents will need more time to

study the numbers. The obvious options would be to reduce services, raise taxes, raise tuition -- or all three.

The Del Mar College Board of Regents does not look forward to any of these options. The board has a long history of keeping higher education affordable.

During each legislative session, the state develops a formula to fund community colleges -- X students multiplied by X classes multiplied by X cost per class equals the state funding everyone agrees is fair. However, the state traditionally pays community colleges significantly less than they earn in any given school year. For example, in the 2004-2005 fiscal year, the college delivered contact credit hour instruction that should have earned us \$48.7 million in reimbursement from the state. However, the Coordinating Board reduced that figure to \$42.9 million, and then the Legislative Budget Board only sent us \$37.2 million. We delivered \$11.5 million in education we didn't get paid for that year, according to the funding formula established in advance. That was the first year of a two-year funding cycle. Since we delivered more instruction the second year of the biennium, the total we didn't get reimbursed in those two years was about \$25 million.

Texas community colleges educate nearly 60 percent of all students in public higher education in the state. And we do it with less than 12 percent of the state's higher education funding. It's no wonder Texas community colleges feel like someone's stealing their lunch money.

Please express your outrage to Gov. Perry for this veto at 512-463-2000 or by e-mail to [Wroe.jackson@governor.state.tx.us](mailto:Wroe.jackson@governor.state.tx.us).

The governor expects community colleges to "close the gap" in higher education, and he just dug a bigger hole.

Chris Adler is the Del Mar College Board of Regents Chair.

Amarillo  
Globe-News JUN 24 2007

## Perry uses colleges to win a political argument

Steven Jones

Gov. Rick Perry's recent veto which cut \$154 million for community colleges across Texas stunned legislators and colleges and confused taxpayers.

So I wouldn't be surprised if those of you who support and depend on Amarillo College have been asking, "What in the heck is going on?"

Perry says that each year Texas community colleges use "millions of state dollars to pay the benefits of non-state-paid employees." In fact, he has actually accused colleges of "falsifying appropriations requests."

First, let me assure you nothing of the sort has happened. Rather than a juicy story of institutional corruption, this is actually about a disagreement between the governor and the Legislature. It is a complicated one - the kind that causes people's eyes to glaze over - but stick with me and I'll try to explain it.

According to the partnership between Texas residents and the state, local taxpayers provide the physical facilities and the state pays for the cost of education. However, the state has never fully met its obligation. This year, the state is only paying 37 percent of that obligation, not the agreed-upon 100 percent.

Since the budget crisis of 2003, Texas has searched for ways to slash state spending. As a result, a new law stipulated that the state would no longer pay health benefits for community college employees not paid from General Revenue Funds.

This law produced a lot of questions: Who is a state employee?? What about staff paid partly from the state and partly from local money?? These and dozens of other questions were answered by the Legislative Budget Board - the agency responsible for interpreting the law to community colleges.?

Amarillo College, like all 50 community colleges in Texas, followed the budget preparation rules exactly as the Legislative Budget Board stipulated.

As a result, we began paying health benefits for more than 144 AC employees from non-state funds and continue to do so today.?

But the governor has a different interpretation of the law - different. I might add from that of the legislators who wrote the law and the state agency responsible for collecting our data.?

Gov. Perry knows all 50 community colleges in Texas followed the instructions as set by the legislature. In the governor's zeal to win a political argument between himself and state lawmakers (who overwhelmingly rejected his interpretation), the governor has questioned the integrity of our college and every other community college in the state.

That is just flat wrong.?

My hope is that taxpayers will take the time to grasp the details surrounding this complex issue. You will find that no one in the community college system is dishonest or simply whining about losing money.??

If the governor truly believes that Texas' community college committed fraud against the state, then he has a duty to prosecute all 50 colleges. But this is about politics - not about falsifying records.

The governor needs to fulfill the obligation to pay for education costs. Local taxpayers have fulfilled their obligations to provide facilities.

Many people in our community have offered to help. I urge you to express your outrage in a letter to the governor's office and send a copy to your state legislators.

They all understand that this is a conflict between the governor and the Texas Legislature, and that it is not about fraud at the state's community colleges.

Amarillo College is your college.?

You deserve to know the truth.

Dr. Steven Jones is president of Amarillo College.



Midland  
Reporter-Telegram JUN 29 2007  
McNeely/Friday  
Dave McNeely

Sometimes it seems as if Gov.

Rick Perry tells his staff. "You know, we haven't made anyone angry in a few days. What can we do to hack off a bunch of people?"

Try vetoing \$153 million in appropriations for community colleges, which Perry did on June 17. Perry charged in his veto message that 50 community colleges had "falsified their appropriations requests," by asking for state money to help insure non-state college employees. The money he vetoed, in the form of specified budget earmarks rather than higher education formulas, shows that the Legislature's method of funding Texas higher education "is seriously flawed," Perry said. Community college officials all over Texas were shaking their heads, and talking about having to raise tuition and local taxes.

"We were surprised," said McLennan County College executive vice president Johnette McKown, which had \$2.7 million vetoed from the Waco school's budget. "We were stunned."

"It's a great disappointment," said Victoria College President Jimmy Goodson, which lost \$1.5 million. "We thought we came out of the legislative part all right. This is a significant part of our funding."

Perry's veto is reminiscent of a veto years ago of two new prisons by Gov. Bill Clements, another Republican. Clements' action resulted in further prison overcrowding, which led to letting prisoners out before they'd served their full sentences.

More students -- close to 600,000 -- attend community colleges than are enrolled in Texas public senior colleges and universities.

President Kelvin Sharp of South Plains College in Levelland, which lost \$3.3 million by Perry's veto, told the Amarillo Globe-News it's a serious problem.

"\$3.3 million is almost 10 percent of our budget," Sharp noted. "We're still recovering from the budget cuts of 2003," when the governor insisted on dealing with a \$10 billion shortfall with spending cuts rather than tax increases. Sharp described himself as furious about Perry's action.

"How do you accuse 50 community colleges of falsifying a report?" he asked. "We disagree with that statement."

Perry's spokesman, Robert Black, told the Longview News-Journal that community colleges have inflated the numbers of their general revenue fund employees so the state would pay for their employees' health insurance.

Steve Johnson, speaking for the Texas Association of Community Colleges, told the News-Journal that community colleges fill out the same forms for funding from one legislative session to the next, and the governor had included the health insurance funding in his own recommended budget.

"How dare the governor say we are falsifying information," Johnson told the News-Journal.

Perry, pointing out that he had served on the House Appropriations Committee as a House member and chaired the Legislative Budget Board as lieutenant governor, had called for "transparent" funding formulas for colleges, rather than lump-sum appropriations.

Nonetheless, Republican and Democratic legislators simply shook their heads. They and school officials wondered whether colleges will raise tuition, raise taxes, cut programs or pray for an interim grant of the money through discretionary spending by the Legislative Budget Board. Or some of each.

Perry's veto pen, said an editorial in The Corpus Christi Caller-Times, "administered cruel cuts for the families of community college students and taxpayers in community college districts who will have to pay for what Perry calls 'pork barrel politics,'"

Galveston County Daily News editor Heber Taylor said Perry's veto shifted a recurring expense from the state to the local level.

"It's a bit like ordering a big meal in a restaurant for a large group - and then leaving the table before the bill arrives," Taylor wrote. "If that's what being a fiscal conservative has come to mean in this state, we're all in trouble."

Fort Worth  
Star-Telegram JUL 02 2007

## Shortchanging community colleges

BY J. ARDIS BELL AND LEONARDO DE LA GARZA

On June 15, Gov. Rick Perry announced his veto of the entire community college health insurance appropriation for 2008-09, the second year of the upcoming biennium. The total amount of this line item for all 50 Texas community college districts was \$153.9 million, of which \$9.2 million was for Tarrant County College District employees.

Although we think this action to be unwarranted, we object even more to the manner in which it was done. In his veto message, the governor said, "To get money for these employees, community colleges falsified their appropriations requests." This is absolutely untrue.

Our requests have been submitted, openly, in keeping with long-standing practice and in full accordance with the instructions given to us by the Legislative Budget Board and the Texas Higher Education Coordinating Board. To accuse us of deliberate subterfuge is to impugn unjustly the integrity of the men and women who serve on our governing boards, faculty and staff. We strongly believe that an apology is in order and that the allegation of falsification should be retracted publicly.

We know and understand the laws and regulations governing eligibility for health insurance coverage. We have consistently submitted our legislative appropriations requests according to the traditionally accepted interpretation of those laws and regulations. Although that interpretation is not shared by some in state government, these policy issues have been thoroughly discussed and debated during the last three legislative sessions.

The governor's own budget proposal included full group health insurance for eligible community college employees. In the course of its long and comprehensive process, the 80th Legislature deliberated the proportionality issue and ultimately funded

our health insurance appropriation at 90 percent – considerably lower than at other institutions of higher education.

As for the veto itself, it undoubtedly will restrict access to higher education for those who need it most: the more than 400,000 students in Texas community colleges. It is too early to gauge the full impact of the loss of these funds to the Tarrant County College District, but it is certain to be severe.

This loss of more than \$9 million surely will result in a reduction of services that are vital to the residents and economic health of our community. TCCD is trying its best to do support the state's plan of "Closing the Gaps" in higher education. The governor's veto only serves to restrict the opportunity that we afford to our community.

Our only alternative to cutting services would be to recoup the lost funds by raising local taxes, raising student tuition or both. We believe that Tarrant County taxpayers have more than shouldered their share of the load as state appropriations have lagged behind growth. And to restore the funds through tuition would require an increase of almost 25 percent, placing higher education out of the reach of many students who do not meet the threshold for financial aid.

On behalf of everyone at TCCD, but most of all on behalf of the more than 80,000 students we serve each year, we urge Perry to work with the Legislature to restore these funds and to work in concert with the community colleges of Texas to craft a long-term plan that will help us fulfill our mission of service to this wonderful state.

J. Ardis Bell is president of the Tarrant County College District board of trustees. Leonardo de la Garza is the district's chancellor. [www.tccd.edu](http://www.tccd.edu)

Waco

Tribune-Herald JUL 08 2007

## Perry killed students' dreams with stroke of veto pen

Dennis Michaelis

Governor Rick Perry's veto of health benefits funding for community college employees made June 15, 2007, a very dark day for many Texans. The amount vetoed is a total of nearly \$155,000,000 for Texas community colleges, and the negative impact on McLennan Community College is more than \$2,700,000 for the coming biennium. Texas community colleges enroll more than 570,000 students each fall semester and now represent the largest sector in Texas higher education. How have the 50 Texas community colleges been rewarded for very capably handling such tremendous growth over the past several decades? They haven't.

Texas community colleges were originally established with the understanding that communities would pay to build, maintain and operate the physical facilities and, in turn, the state would pay the cost of instruction. Obviously, the communities have lived up to their end of the bargain — without fail — and the state has not, without fail. The State of Texas funds only about half the cost of instruction, even though the original commitment was for 100 percent funding. Within the current funding cycle, the state is about \$1.4 billion short of its original pledge. So, by the stroke of a veto pen, the governor has made the under-funding for community colleges even worse.

Governor Perry has held high the banner for making Texas one of the pre-eminent states for economic development in the nation. The legislature has placed

funding at his disposal in the hundreds of millions to further economic development. It doesn't take an economics professor to understand, however, that economic development in any state begins and ends with the ability of that state to provide a well-trained workforce for prospective as well as existing companies looking to expand or locate in Texas. A veto of such proportions places the ability of all community colleges in the state to continue to train that workforce in extreme jeopardy. The reason? If our community colleges are to receive such a financial hit to their budgets, it is inevitable that severe budget cuts, tax increases and tuition hikes will occur. That means fewer and fewer students will be able to come to our colleges for that training — and that means the workforce is not as vibrant as it must be to attract and expand business in the state.

In his veto message, the governor accused the community colleges of falsifying their appropriations requests. That is just not true! It is absolutely documented that the Texas legislature has listened to Governor Perry's opinion on this issue since at least 2003, and they have uniformly rejected his position. My best guess is that they have rejected his opinion because they are painfully aware that the community colleges are grossly underfunded and that assisting with health benefits in this fashion is one way to help overcome a failed funding mechanism. Even though the community colleges enroll more than 60 percent of all students in

Texas higher education, only 30 percent of the funding for higher education in the state goes to those same colleges.

Finally, let's be clear about human impact. Locally, fewer students will be able to afford to go to college, and that is bad for Texas because it kills the dreams of our young people to make a better life and a stronger Texas. Another group that has been leaned upon is the local taxpayer. The negative impact on the community colleges also means some colleges will be forced to raise taxes to compensate for the governor's veto. In November 2006, the people of McLennan County approved a bond issue for MCC to build additional facilities to handle ever-increasing numbers of students.

I can assure all McLennan County citizens that the MCC Board of Trustees will do everything in its power to minimize either tax increases or tuition hikes. Very painful budget cuts will be the first order of business . . . I have no doubt of that. But, the governor has painted us into a corner and some level of increase may be unavoidable. I think it's time for our local legislators and our governor to hear from us. It is important that Senator Averitt and Representatives Dunnam and Anderson hear from local taxpayers, students and concerned citizens. If we intend to maintain the vitality of our community, we must maintain the vitality of our community college.

Dennis Michaelis is the president of McLennan Community College. John Young's column will return soon.

Rio Grande  
Guardian JUL 15 2007  
**Paying for college**

By Eliot Shapleigh

Here's Tony. He's worked at Barron's Supermarket in El Paso for twenty years. He's proud—and happy. Along with Robert and Gloria, the owners at Barron's, he just finished putting all his kids through college. Now, they are using the income that used to go to tuition to build a bakery right next door.

For too many Texans, college is a distant dream.

In Texas today, 26 percent of the population aged 25 to 65 has a bachelor's degree or higher. In Canada, by comparison, 41 percent of the working age population has either a college or university education. Unless we do better, for the first time in history, Texans of tomorrow will be less prosperous than Texans today.

A college degree means money. A Texan with a college degree will earn \$2.9 million over her lifetime, whereas one with a high school degree will earn only \$1.7 million. And for high school dropouts, they will earn only \$1.1 million.

In today's knowledge world, what we earn depends on what we learn. Just to keep up with our peer states—California, Illinois, Michigan and New York—Texas must graduate 630,000 more students from four year colleges. That would put Texas at a 5.7 percent college participation rate by 2015. Today, the national average is 5.4 percent, while only 5 percent of Texas students continue to college. If we don't make these investments, Steve Murdoch, our state's demographer states bluntly what will happen: family income will drop \$6000 on average by 2040.

In Georgia, almost 15 years ago, Governor Zell Miller made good on a promise to pay for college for any student with a B or

better. But in Texas, total academic charges have risen by 40 percent since tuition deregulation in 2003, without the grants to pay for it. Even after a session where we had a \$14 billion surplus, the TEXAS Grant program is \$380 million short of paying for the estimated demand in 2009.

And now, we find out that college loans to help pay tuition have been rigged to benefit loan officers not the students. In one case, a university took \$3 million from a lender then took the low cost competitor off the school's preferred lender list.

More of us need to talk about education. And state policies need to keep up with progress. In 2003, state leaders cut the inheritance tax on millionaires that would have put \$117 million in the state treasury that year alone. Then, since 2004, designated tuition paid by Texas families has been hiked from \$51 million to \$318 million by the 2006 school year, essentially balancing the tax cuts to millionaires on the backs of Texas' college students.

Further, 70 percent of enrollment growth in Texas higher education happens in Community Colleges. Yet, on June 15, Governor Rick Perry vetoed \$153 million in the budget for community group health insurance costs. Now, that cost will be paid by local taxpayers in higher taxes or students in more tuition. That's the wrong direction for Texas.

If America can put a man on the moon, Texas can put students through college. All it takes is leadership.

Eliot Shapleigh is state senator for District 29. A Democrat, Shapleigh resides in El Paso.

Longview

News-Journal JUL 17 2007

## An open letter to Gov. Rick Perry

Dr. Bill Holda, President, Kilgore College

With respect to the July 13 release from the Governor's press office, I am encouraged that you, Governor Perry, believe "community colleges are the backbone of our higher education system in Texas" and an essential contributor to our state's future success. Enrollment statistics support your comments since community colleges enroll more than 73 percent of all college freshmen and sophomores and over 45 percent of all students in higher education.

You call for increased formula funding to support the education of our future students at community colleges, one issue about which we certainly are in agreement. However, currently community colleges receive only 52% of the state funding they have earned for instructional costs.

Governor, I want you to know that I am most appreciative of Rep. Merritt, Rep. Hopson, Rep. Hughes and Senator Eltife, as well as the other members of the Texas House of Representatives and Texas Senate, for their due diligence and support during the rigorous and very detailed appropriations process. Their hard work and support allows the doors of higher education to remain open for the citizens of East Texas.

Unfortunately, with one stroke of the pen, you took away more money (\$154 million) than the 6 year increase (\$121 million) about which you are so proud in your editorial. You vetoed 100% of the community college health insurance funding for the 2008-2009 academic year. Kilgore College will lose \$2.1 million.

I continue to be amazed that you, as Governor of Texas, would accuse community colleges of not following the law. Community colleges have correspondence from the Legislative Budget Board staff confirming that the colleges interpreted and completed the forms in accordance with the budget rider. Fur-

thermore you used this information from the Legislative Budget Board to recommend fully funding community college health insurance benefits in your budget proposal to the 80th Legislature.

The Legislature supported the community colleges' response during their study of the issue during the 80th session. Kilgore College does cover the cost of health benefits from local funds for those employees who are not eligible to be paid by state funds. Your reference is to rider language in the appropriations bill over which the Legislature has jurisdiction. If you, in your role as Governor of Texas, want to take exception over this issue, you should be addressing the Legislature which approved the budget and deliberately maintained our health care benefits.

I am appalled that in your editorial you suggest community college governing boards raise taxes as a solution. The Kilgore College Board of Trustees has lowered the tax rate for the last two years. Now you accuse community colleges of not "playing by the rules," you override the appropriation approved by our elected legislators, and finally, you suggest that local boards "are empowered" to raise property taxes to cover the shortfall. It seems unconscionable that you would suggest shifting the state mandated health insurance expense to the local taxpayers. The middle class is squeezed once again.

I am hopeful that with the help of Texas citizens, college officials and legislators, we can work with you to correct this misunderstanding and restore the state funds to community colleges very quickly. Governor, let's begin by focusing on our common agreements about the importance of increasing economic strength for Texas and the essential role which community colleges will play in creating a bright future for the State of Texas. Let's move forward with our common beliefs and resolve this issue quickly by correcting what has occurred.

Longview

News-Journal JUL 18 2007

## Say you support us, Gov. Perry? Then let's talk

Millicent Valek, Rey Garcia

Gov. Rick Perry [July 14 guest column] calls community colleges the "backbone of Texas higher education." He is right.

Every year more than 1 million students pass through the doors of Texas community colleges in search of their dreams — from beginning the journey to a bachelor's degree to acquiring the skills to grow the Texas economy.

Community colleges are the fastest-growing sector of higher education, serving more than 70 percent of lower-division students.

Gov. Perry's words of support, unfortunately, are not backed up by actions.

The governor boasts of increases in community college funding over the last six years. These modest increases, which did not keep up with our enrollment growth, were completely erased with a single stroke of his veto pen, leaving community college students and supporters in shock: a veto of \$154 million for health insurance for community college employees.

The governor's reason for his veto is an ill-informed belief that community colleges are out of step with the law. Nothing can be further from the truth.

The issue commonly referred to as proportionality has been fully debated and considered by the Texas Legislature. The Senate and the House of Representatives discussed this issue in 2005 and in 2007. Both times they set it aside.

To read the governor's comments, one would infer that the Texas Association of Community Colleges appropriates state money and sets state budget policy. No.

These matters are strictly in the hands of the Legislature. The association participated in the deliberative legislative process and stands by the well-reasoned decisions of the Texas Legislature in authorizing funds for employee health insurance.

The governor's staff is not on record on this issue during the legislative hearings, though Perry staffers were sitting in the room when the issue was discussed.

Rather than usurp the constitutional authority of the Legislature with a post-session veto, the governor should abide by the

decision to fund health insurance benefits for eligible community college employees.

Funding for community colleges is based on a compact between the state and communities that choose to levy a property tax to support a college. State support for its share of the agreement is down sharply. Colleges must use local tuition and tax dollars to fill the gap created by the shrinking state commitment to community college funding.

In 1985, the state provided 64.5 percent of the budget for community colleges. By 2005, this state share declined to only 31.1 percent.

That is why, the governor notes, some state eligible community college employees are paid from local funds. Such decisions are driven solely by cuts in state funding.

We implore the governor to reconsider the ill-informed advice of his staff and work with the Legislature to restore the \$154 million in community college health insurance funds. No one wants to enact tuition and tax increases or cut programs to raise the local funds necessary to make up Perry's veto. It amounts to a penalty for providing student access.

A timely word from the governor to the lieutenant governor and the speaker of the House that he is willing to restore these funds would go a long way to keep Texas higher education affordable and accessible.

There are many areas of agreement between the community colleges and the governor. We look forward to putting this issue behind us and working together to achieve our common goals of making Texas a better place and community colleges a place where students can continue to fulfill their dreams.

Millicent Valek is board chairwoman and Rey Garcia is president and CEO of the Texas Association of Community Colleges.

The governor's reason for his veto is an ill-informed belief that community colleges are out of step with the law. Nothing can be further from the truth.

Waco

Tribune-Herald JUL 18 2007

## Perry's 'gotcha' game

Talk about being a day late and few million dollars short.

Gov. Rick Perry and the state's community colleges are having a disagreement about the state's role in funding health insurance benefits for eligible employees. See the commentary below.

And what a time to be arguing about it — after Perry vetoed \$154 million for those colleges.

The dispute is over an arcane distinction that lawmakers have shrugged off. If lawmakers believed Perry would veto the appropriations, they would not have budgeted as such.

As it is, community colleges have a tremendous pinch. For McLennan Community College, it amounts to \$2.7 million.

Bottom line: Perry should have made his intentions clear to budget writers. This argument should have happened for all to hear during the session, not after.

Galveston County  
Daily News JUL 18 2007

## Still no justification for college cutback

By Heber Taylor

Gov. Rick Perry, facing statewide criticism, is defending his decision to veto the state's share of health-insurance premiums at community colleges.

He makes his argument in a guest column.

We still don't buy it.

In vetoing the funding, which will cost colleges across the state \$154 million, the governor made broad allegations that community colleges had falsified records to get the state to pay for the health benefits of purely local employees — workers whose salaries aren't covered by the state.

While we can't vouch for the colleges statewide, we did ask top officials at College of the Mainland and Galveston College whether any of the problems alleged by the governor had occurred here.

They said no.

On June 21, a Daily News editorial posed this question: "It would be interesting, after hearing the broad accusations about fraud, to see whether the governor could cite a single example of this kind of problem at a college in Galveston County. And, if not, why cut \$3 million in appropriations to those colleges?"

We told the governor's office Monday we intended to publish his column. But we also asked again if he could provide a single example of a problem at a college in Galveston County.

We're still waiting.

It would take more than isolated examples to convince us that this veto was justified. It would take proof of systematic abuse.

We haven't seen any evidence of that and we doubt that the governor has, either.

His veto cut funding in the second year of the biennium but not the first. If there really were evidence of widespread fraud and abuse, why would he have agreed to continue funding for another year?

The veto is going to cost College of the Mainland about \$2 million next year. It will cost Galveston College more than \$900,000.

Both colleges were blindsided.

Both colleges now face the prospect of higher tuition or higher taxes.

When the governor initially vetoed the funding, we called that move irresponsible. The governor hasn't changed our mind.



## Zaffirini: Perry veto hurts higher ed

By Judith Zaffirini

"Our greatest challenge in higher education remains ensuring our schools are accessible and affordable for every qualified student." So proclaimed Gov. Rick Perry during a 2002 address to community college officials. Unfortunately for many qualified students and community colleges around the state, the governor made this challenge even greater when he vetoed \$154 million in much-needed funding to community colleges in June.

Approximately 575,000 students are enrolled at community colleges, and nearly 72 percent of college freshmen attend one. What's more, 70 percent of higher education enrollment growth is at community colleges, which account for approximately half of higher education enrollment in Texas.

Although these institutions are critical in our efforts to increase access to higher educational opportunities and to ensure academic success, the state provides only approximately 31 percent of their funding. The remainder must come from local taxes, tuition and fees, and local funds.

To put the impact of Gov. Perry's veto into perspective, the \$157 million that he cut is more than the total new dollars appropriated to community colleges this biennium for operations and instruction.

This unwarranted and unexpected action will not only negatively affect our community colleges' efforts to achieve the goals of Closing the Gaps, but also severely strain their resources. The grim reality is that to make up for this lost funding, community colleges will either have to raise local property taxes, increase tuition, reduce services or, sadly, do all three. Any of these options negatively will affect their ability to serve students who typically have the fewest resources to attend college. The worst result is that many students may be forced to drop out of college because of the governor's actions.

Even more shocking is the governor's veto message accusing the community colleges of falsifying their appropriations request. Having attended every budget hearing, I know that community college officials submitted full and accurate information in their

budget requests. That the governor would accuse them of falsehood is beyond comprehension. The legislature in good faith chose to fully fund community college employee benefits with general revenue because we understand that community colleges are under-funded and over-burdened.

In addition to the \$154 million for higher education group insurance, Gov. Perry also vetoed funding for new community college campuses at Alamo Community College, Austin Community College, Houston Community College, Paris Junior College and Temple College.

Because formula funding is based on student enrollment for the two years prior to the biennium, these funds are critical for the operations of new campuses that cannot receive formula funding due to the lack of student enrollment data. Gov. Perry's veto will exacerbate the financial difficulties these community colleges will face in providing much needed educational opportunities.

As chair of the Senate Subcommittee on Higher Education, I understand the important role of community colleges in developing a well-trained workforce and in providing affordable access to higher education. Accordingly, I will continue to work with Lt. Gov. David Dewhurst and our colleagues who support this important funding to remedy the situation during the interim so that these institutions and their students are not penalized unfairly.

To do this will require the combined efforts not only of legislative leaders, but also of community college leaders, students and their families. Cumulatively, we must convince the governor to right his wrong by approving budget execution authority to restore these crucial funds for our community colleges and our students.

Judith Zaffirini is state senator for District 21. A Democrat, she resides in Laredo. Zaffirini chairs the Senate Higher Education Subcommittee and is vice chair of the Senate Finance Committee.

Stephen B. Kinslow

AUSTIN COMMUNITY COLLEGE DISTRICT PRESIDENT AND CEO

## Perry's veto hurt students as well as Texas' future

**N**o one wants to get into a war of words with Gov. Rick Perry, but community colleges are too important to economic development in Texas not to respond to his recent actions and allegations. On June 15, the governor surprised the Texas Legislature and community colleges with a \$154 million funding veto, alleging that we "falsified" appropriations requests, a charge that is unfair and inaccurate.

Before this legislative session, the Texas Higher Education Coordinating Board recommended that the state use a formula to fund community colleges in which all eligible employees' salaries and health benefits would be paid with state funds. Based on that recommendation, community colleges requested benefits funding for all eligible employees. The Legislature discussed the request, voted on it and approved it. Many people view the governor's veto as payback for losing this "proportionality" debate in the last legislative session.

Perry says he supports community colleges and that funding has increased over \$121 million on his watch, an increase that over six years has not kept pace with enrollment or inflation. Then he cut \$154 million and suggested property owners pay higher local community college taxes and tuition (as if they are not contributing on the state level). The governor is simply shifting costs from one area to another and arguing technicalities when the real issue is to help, not hurt, our common mission — to educate and train more Texans and secure a prosperous future for the state.

We agree with Perry on one point; community colleges are the "backbone of Texas higher education." Community colleges enroll more than half of

all Texans in public higher education, provide the largest number of transfer students to four-year universities and are the primary training facilities of health professionals, first-responders and the Texas work force. Community colleges are the state's best hope for its ambitious Closing the Gaps initiative, yet they get only 15 percent of the state's higher education funding.

Now, as a result of the governor's veto, community colleges across the state are being forced to raise property taxes, tuition and fees, or cut programs and services. And the timing couldn't be worse. Texas is facing a crisis. Our fastest growing populations are those least likely to graduate high school and attend college. The number of students enrolling in higher education across Texas is declining. Meanwhile, the demand for a skilled work force is growing. Access and affordability matter.

Texas community colleges have made great strides in closing the educational gaps by providing access to affordable education. We don't turn away students; we provide an avenue to opportunity. If community colleges don't get state support to continue this vital mission, can you imagine Texas in 10 years? Companies will relocate, unemployment will increase, the economy will be hit hard, and quality of life will suffer. Taxes will go up — not for education, but for social services.

If Perry is sincere about helping community colleges maintain the highest standards in pursuit of their mission, then it's time to stop the politics and shift the focus back to where it belongs — on the students and on Texas' future. The governor should exert true leadership and begin a discussion on how to better align the state's support for community colleges with its plan for Closing the Gaps.

Waco

Tribune-Herald JUL 21 2007

## MCC plight; Perry's fault

Out of the blue, without warning, Gov. Rick Perry decided to kick the props out of the plans of community colleges statewide.

As governor, Perry has cultivated a reputation of operating alone and then springing surprises on friends and foes alike.

These are not leadership characteristics.

The McLennan Community College board of trustees, like other community college trustees across Texas, now struggles with the shocking mess left behind following Perry's surprise line-item veto of \$154 million in community college health benefits.

MCC trustees Thursday looked at six new administration-prepared budget proposals and didn't like their choices. That's understandable. Perry's veto took away \$2.7 million in MCC funding over the next two years.

Perry defended his veto by claiming that the state's community colleges falsified their appropriations requests. He said that a budget provision bars the spending of certain state funds on employee benefits if the employees' wages are paid from a source other than state funds. Therefore, he reasoned, the legislatively

approved funds for health insurance for community college employees should be killed.

The Texas Association of Community Colleges, community college presidents and board members statewide beg to differ. So, too, do the overwhelming majority of Texas lawmakers.

During legislative hearings on this funding issue, neither Perry nor his staffers who sat in on the hearings bothered to go on the record as opposing a practice that had been discussed and approved by lawmakers in 2003, 2005 and 2007.

No doubt lawmakers approved this funding method because the state is not living up to its obligation to pay the cost of instruction at Texas' community colleges.

While state funding paid nearly 65 percent of budgets for state community college in 1985, that funding dropped to about 31 percent by 2005.

"There are no good choices here," MCC president Dennis Michaelis said Thursday.

The same observation can be made in community colleges statewide.

Thanks a lot, Gov. Perry.

## Perry's veto detrimental to colleges, communities

Steven Jones

In a guest column in last Sunday's Amarillo Globe-News, Gov. Rick Perry said that "community colleges are an essential contributor to the state's future." While it's encouraging to read his words, his veto of \$154 million in community college funding suggests otherwise.

It is unfortunate that the governor's staff has given him bad advice. As a result, local taxpayers will pay twice - once to fund their fair share of college costs and a second time to cover more of the state's obligation to the colleges.

The governor must acknowledge and correct this mistake. Until he does, his words about how much he values community colleges mean little.

In the 1960s, state leaders expanded the Texas community college system to promote economic development. The agreement was simple. The state agreed to fund 100 percent of the instructional costs at community colleges if local taxpayers would pay for building, equipping and maintaining college facilities.

Local taxpayers do their part. But the state never has met its obligation fully. Amarillo College receives only 37 percent of its instructional costs from the state.

How does this affect our community? In the short run, the college may be able to absorb some costs, delay some projects, and postpone higher tuition. But, if this veto stands, it ultimately will shift more of the state's responsibility to local taxpayers and students.

This funding cut will jeopardize important programs and services at AC. Our nurses, paramedics, firefighters, X-ray and lab technicians, dental hygienists and others get their education at Amarillo College. Each year, AC produces more than

1,000 graduates and trains tens of thousands more in skills that are vital to the life of this community.

Employers like Bell Helicopter, Owens-Corning, Valero, Pantex, TxDOT and area hospitals use AC to train their work force. More than half of all high school graduates who go to college start at Amarillo College.

But the governor's action hurts in other ways, too. The accusation of fraud deeply offends every employee, alumnus, supporter and business partner of Amarillo College.

Amarillo College has done nothing wrong - a fact underlined by members of the state Legislature. Just last week, Sen. Judith Zaffirini, chair of the Senate Higher Education Committee and a member of the Legislative Budget Board, said, "This unwarranted and unexpected veto will not only strain community college resources; the grim reality is that to make up for this lost funding, they will have to raise local property taxes, increase tuition, reduce services, or sadly, do all three."

Zaffirini added, "Even more shocking is the governor's veto message accusing the community colleges of falsifying their appropriations requests. Having attended every budget hearing, I know that community college officials submitted full and accurate information in their budget requests. That the governor would accuse them of falsehood is beyond comprehension!" She went on to explain: "The Legislature, in good faith, chose to fully fund community college employee benefits with general revenues because we understand that community colleges are underfunded and overburdened."

The governor's staff says the state should stop paying benefits for all instruction-related employees. The Legislature clearly disagrees. Despite pressure from the governor's staff, lawmakers continued to provide these funds in 2003, 2005 and again in 2007. But the recent veto will eliminate the funding anyway.

Not surprisingly, the veto came after the Legislature had adjourned and could not override it.

Don't be misled! This is not just a disagreement between the colleges and the governor's staff. This is a watershed issue. Unless this veto is set aside and the funding restored, the state can shift more of its obligations to local taxpayers in the future.

Sens. Kel Seliger and Bob Duncan, and Reps. Warren Chisum, John Smithce and David Swinford are working hard to restore this crucial funding. This issue can be resolved but will require political action.

If you disagree with the veto and its impact, please consider writing the governor's staff and telling them you support your legislative delegation in their efforts to restore the funds. But most important, insist that the state meet its obligation to local taxpayers by funding community colleges as originally agreed.

Send your comments to: Wayne Roberts; Advisor on Higher Education; Office of the Governor; P. O. Box 12428; Austin, TX 78711. And send a copy to your local legislative delegation, letting them know you appreciate their support on this issue.

Steven Jones is president of Amarillo College.

## Perry shortchanges community colleges

Chris N. Adler

In a foyer of Del Mar College's Venters Business Building is a wall of tiles inscribed with names of donors who gave money to furnish that building. There amid the names of local corporations and philanthropists is one tile acknowledging the contributions of Ernesto Rodriguez.

Rodriguez spent most of his career on the custodial staff of the college. For many years, he emptied trash and dusted bookshelves in campus buildings. Before he retired, he told a colleague his proudest accomplishment was helping all of his children complete their education at Del Mar.

I wish Gov. Rick Perry had met Ernesto Rodriguez before he died several years ago, because Rodriguez and his family epitomize the community college experience.

Last month, the governor vetoed funding for community college employee insurance, cutting more than \$4 million per year from Del Mar College's budget beginning next year.

Texas community colleges educate nearly 60 percent of all students in public higher education in the state. And they do it with less than 12 percent of the state's higher education funds.

How can community colleges operate with so little state support? It goes back to the "community" part of the title.

The master plan for higher education adopted by the state in 1969 established a partnership stipulating that community colleges would build and maintain their campuses with local funds while the state would pay for the cost of instruction. As with any service-based endeavor, salaries consume the majority of Del Mar's budget.

Gov. Perry in 2003 asked community colleges to pay insurance benefits for

campus maintenance staff out of local funds. Del Mar College immediately developed its next budget following that directive and shifted insurance costs for employees and retirees to the local funds side of the ledger. In the 2005 and 2007 sessions of the Texas Legislature, lawmakers considered additional recommendations by the Legislative Budget Board but concluded that funding for instructional employee benefits remains the state's responsibility.

However, Gov. Perry's veto eliminates funding for ALL community college employees, even those established as the state's responsibility. Technically, Gov. Perry is correct in stating that local funds are subsidizing the salaries and benefits of some instructional personnel. But that's only because the state hasn't paid its fair share for years.

Each year, the state provides a funding formula for community colleges based on the actual number of hours of instruction delivered. All parties agree on the numbers to plug into the formula equation. However, at no time in recent memory has the state paid community colleges for the instruction they delivered. The late College President Emeritus Buddy Venters called this annual shortchanging "smoke and mirrors" budgeting.

In 2004-2005, Del Mar delivered more than \$42 million worth of education according to the state's formula, but the state only paid \$37 million. For that two-year cycle, Del Mar delivered more than \$25 million in instruction it was never paid for.

In the 1980s, the state provided 66 percent of the total college budget. Today that percentage has dropped to 22.3 percent. Gov. Perry's line-item veto of Del Mar College's employee insurance bene-

fits represents more than 20 percent of what's left.

Gov. Perry brags that he has supported increased funding for community colleges throughout his tenure. Actually, in the fall of 2000, Del Mar College enrolled just under 10,000 students and received \$18,694,240 in state funding for that year. In the fall of 2005, the enrollment grew to almost 12,000 credit students, but state funding dropped to \$18,635,590.

Rather than acting like a restaurant table full of tightwads squabbling over who ordered the chef salad and who pays what portion of the tip, it's time to adequately fund the institutions that do the heavy lifting to provide an educated workforce for the state. We ask the governor to live up to the letter, as well as the spirit, of the law.

Perry in his opinion piece that ran July 17 called community colleges the "backbone of our higher education system in Texas." Why then would he want to break the back of community colleges?

Ernesto Rodriguez understood the true value of a community college when he helped his children get their education. That's why he signed up for a payroll deduction plan to help furnish the Venters Business Building when it was built. Each month, he donated a small portion of his custodial salary to provide educational opportunities for other community students until he'd given enough to have his name inscribed in the building he helped maintain.

I wish Gov. Perry could have met Mr. Rodriguez.

Chris N. Adler is chairman of the Del Mar College Board of Regents.

## Rising college costs put the dream out of reach

The number of Hispanics enrolling in Texas colleges and universities to pursue a college degree has grown by the thousands in recent years. That the fastest growing ethnic population in the state is becoming more educated should portend good things for the state. But that growth in numbers is barely reflective of the tremendous rate of growth in the number of Hispanics in the state. At the same time, the cost of college has been growing and the amount of student loan debt has been soaring. Those trends are linked to the detriment of Texas whose future rides on increasing the number of Hispanic college degree holders.

The Texas Higher Education Coordinating Board, in its latest report on Texas' progress on meeting goals for college enrollment, said that the 334,000 Hispanic students enrolled in Texas public and private colleges last year represented a 40 percent leap from the number enrolled six years ago. But the number of Hispanics in the state is growing so fast that the percentage of students compared to the total Hispanic population, 3.9 percent, has hardly moved from 2000. That's not good for a state that expects Hispanic population to grow by 47 percent by 2010.

### What future portends

Those numbers, if they don't improve, mean lower incomes for a segment of the population that will dominate the state's economy in a few years. That translates into a workforce that is less attractive to industry and corporations. And that impacts everyone of whatever race or ethnicity. That is why the state has set a target of enrolling 4.8 percent of Hispanic population in college by 2010.

But if Texas is to achieve that goal, it will have to overcome public policy decisions on higher education that have resulted in the rising cost of college. The underlying philosophy that drives

those decisions is the mistaken notion that a college degree is primarily a personal benefit, rather than being also a benefit to society.

In Texas, the key decision came during the 2003 session of the Texas Legislature when legislative leaders instead of owning up to their responsibilities to fund Texas colleges to meet rising enrollment, handed the institutions "tuition deregulation," which allowed them to set their tuition. That has pushed more of the cost of college on students, with the state picking up less of its share. The Southern Regional Education Board says tuition and fees in Texas has risen 111 percent since 2000.

Texas students are not alone in feeling the burden of rising tuition and, consequently, rising loan debt. The median level of student debt nationwide for those pursuing a bachelor's degree is \$20,000. For some students, the debt can be so overwhelming that it can wind up determining what career they pursue, to the loss of the teaching profession, social work and other careers that are vital to society but which pay relatively low salaries.

But decisions by Texas leaders belie the goals to raise college enrollment. That includes the line-item veto by Gov. Rick Perry of a key part of community college funding; 62 percent of Hispanic enrollment is in community and technical colleges. That includes failing to adequately fund state low-interest student loan programs. And that means allowing public school financing reform to languish for decades, hampering low-wealth minority schools the most.

Having more Hispanics and other minorities obtain college degrees is good for Texas. But simply setting goals won't mean much if Texas leaders and legislators don't follow through with political decisions to match those ambitions.

Waco

Tribune-Herald AUG 02 2007

## Lessons in false choices

By John Young

"Learn your current events," we tell children. "It's important."

Considering what passes for current events, sometimes maybe it's best that they didn't pay attention.

I'm not talking about the tawdry and bawdy: The congressman stashing his ill-gotten cash with his fish sticks. The Bible-quoting senator who admits to, um, bearing witness to a D.C. prostitute.

For our purposes, let's talk about a governor who apparently doesn't know how to use a phone. And a Legislature that hasn't seen a cookie jar from which it wouldn't steal.

The latter two are in Texas — depicting actions and policies that result in false choices amid artificial scarcity. Scarcity when we have ample resources to meet our needs.

First, the governor and the telephone.

Last week, community colleges were in panic mode. Gov. Rick Perry had vetoed \$154 million intended for faculty and staff health benefits.

Perry defends the veto as a matter of principle and state law. Wrong answer. It's a matter of a government not working as it should and a governor apparently not knowing how Alexander Bell's marvelous invention works.

The money is there. This is a dispute over whether the state should pay this particular item or if it should be funded locally. It is clear that neither Perry nor state lawmakers want to force community colleges to operate with \$154 million less than expected.

This is where the telephone comes in. A telephone transports one's voice across whole capital cities to address disputes like this, say between a governor and the chairman of a House or Senate budget committee.

The phone could convey the words, "I'll veto this, Steve," or "I'll veto this, Warren."

Lawmakers then would know they need to figure out another way to budget the money in dispute, maybe through a swap of state and local functions.

It all comes out of the same figurative vault. After all, in 1997, after much confusion about where lottery proceeds were going (answer: at its inception they went into the general fund) lawmakers engaged in the ruse of newly designating public

schools for lottery proceeds. It was supposed to make our hands feel clean in purveying something so grimy.

But designating lottery funds didn't mean more school dollars. It just meant dollars shifted from one corner of the vault to another.

Even when the state does set aside dollars for particular purposes, they get confiscated. No cookie jar is safe. At its most recent meeting, the State Board of Education debated how to meet textbook needs in the face of the Legislature's tendency to sit on the money available for those purchases.

The likelihood is that an already extenuated purchase process will be made longer — decade-old history books in class, for instance.

Since the money for these books is available through the \$26 billion Permanent School Fund, Texas students might ask, "Why?"

Answer: Texas lawmakers are prone to bottle up designated funds like these to say they balanced the budget without raising taxes. This has happened with several designated funds, from state parks to energy aid for the poor.

The reason: Texas has what economists call a structural deficit. It doesn't have the tax structure to pay for what even a bare-bones government needs, a government that ranks dead last among states in per capita spending.

When lawmakers restructured that tax framework under the guise of school finance reform last year, instead of dealing with that structural defect they made things worse. They overpromised in property tax cuts. Knowledgeable observers say the reality of that overpromising will hit next session with widespread budget cuts — and possibly more textbook purchases bottled up.

In a land of plenty and a state that claims to have hung the moon, we have false scarcity. In the case of community colleges, noncommunicative policymakers leave them in limbo. With textbooks, the funds are there, but lawmakers are always in arms length of the cookie jar.

So do we tell the children to pay attention? Or is this not a sight for young eyes?

John Young's column appears Thursdays and Sundays. E-mail: [jyoung@wacotrib.com](mailto:jyoung@wacotrib.com).

# Battle Over Benefits

## Two-year college workers deserve fair solution

**T**o some Texans who work at community colleges, Gov. Rick Perry must seem like the Grinch who stole Christmas. In June, the governor vetoed \$154 million in state money to pay the health benefits of community college employees who don't qualify as state workers. The veto sparked loud and persistent protests.

Despite the howls, the governor did the right thing. A proportionality issue is at stake.

We say this as huge supporters of community colleges, particularly the Dallas County Community College District. These campuses do everything from training nurses and computer technicians to opening more learning opportunities for teenagers and second-career baby boomers. Their well-being should be a priority.

We can't quibble, however, with Mr. Perry arguing that community colleges should pay health costs for employees who aren't affiliated with the state. In fact, we proposed that very thing in our plan to balance the Texas budget back in 2005. Our proposal wasn't any more popular than the Perry veto, but Article IX of

the Texas budget clearly states that legislators have the right to ask community colleges to pay the health costs of employees who aren't part of the state's compensation system.

We recognize the Perry veto could force community colleges to increase taxes or tuition. If it comes to that, the fairer thing would be to pass the health costs on to taxpayers. Taxpayers benefit the most from community colleges training so many local workers. But the situation doesn't have to go that far.

Lt. Gov. David Dewhurst already is assembling a group of senators to work on alternatives. One might be for the state to pick up a greater share of the health care costs of community college employees who *are* state workers. This would put their funding more on par with their counterparts at four-year institutions. Mr. Dewhurst said there are other options as well.

We encourage the dialogue to continue. The governor's concern about proportionality is sound. What's most important now is that the colleges and Austin find other ways to strengthen the community college system.



# Perry can do better for community colleges

If Gov. Rick Perry really believes it when he says community colleges are the backbone of higher education in Texas, he'll find a way to restore the \$154 million he denied them with a veto.

Lawmakers last session approved that appropriation for community colleges to pay health insurance premiums for employees. But Perry ambushed the legislators and the schools, insisting that community colleges split the cost of employee benefits between state funds and local money raised through taxes, tuition and fees.

College officials, students and more than a few legislators are incensed that Perry killed an appropriation that lawmakers and educators agreed was important to higher education. His veto will force many of the state's 50 community colleges, including Austin Community College, to raise tuition and fees.

After the veto, which killed \$7.6 million for ACC, school trustees approved a budget that increases student fees \$2 per credit hour. They also hiked tuition \$8 per hour for out-of-district students and \$24 per hour for out-of-state students.

The veto kicked up such a fuse that embattled House Speaker Tom Craddick, a Republican from Midland, and his usual nemesis, Jim Dunning, the House Democratic leader from Waco, are working together to try to restore the funds.

It is possible that Perry, Craddick and Lt. Gov. David Dewhurst — who has called for the money to be restored — can reclaim the funds

for the colleges through the Legislative Budget Board. Craddick and Dewhurst share chairmanship of that board, which can shift money appropriated by the Legislature.

Perry, however, is insisting that the \$154 million in state money apply only to college employees paid with state funds. If that seems silly, that's because it is.

State funding for community colleges has been declining for years while enrollment is increasing. More than a million students, or about half of all Texas college students, are enrolled in community colleges today.

ACC gets less than a quarter of its \$187 million annual budget from the state. Holding fast to a proportionality rule that some state leaders feel is obsolete punishes the colleges, local taxpayers and students. Perry's position, which smacks of his well-known political pique, benefits no one at a time when Texas is leaning harder than ever on its two-year colleges.

A spokeswoman for the governor said he is talking with other state leaders about a solution to the problems created by his veto but still insists colleges pay for the benefits of employees not salaried by the state.

It hurts Texas and its higher education system for the governor to dig in his heels on such an esoteric point of law, but it's an opportunity for state leaders to debate the efficacy of the proportionality rule. In the meantime, they should restore the \$154 million Perry took from community colleges.