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ECU prepares for more cuts

Kevin Seitz, East Carolina University's vice chancellor of administration, said plans could include a $500 tuition increase.

BY JOSH HUMPHRIES
The Daily Reflector

East Carolina University officials are preparing for more state budget cuts.

ECU, along with the other schools in the University of North Carolina system, has been asked to prepare scenarios for 5 percent and 10 percent cuts. Other state agencies are preparing for cuts up to 15 percent in anticipation of a large budget shortfall.

ECU Vice Chancellor for Administration and Finance Kevin Seitz said officials are developing plans that could include a $500 tuition increase.

"Right now it is just for planning purposes. Whether or not that happens is anyone's guess," Seitz said. "It is possible that the economy will recover. I think the number (the deficit) is so big that they want to get out in front of it as much as they possibly can."

Lawmakers are expecting a budget deficit in excess of $3.3 billion next year, about 15 percent of the already tight $19 billion state budget. The combination of the expiration of temporary tax increases adopted in 2009, the end to federal stimulus dollars and a slow economy is expected to facilitate the shortfall.

State Budget Director Charles Perusse recently sent a memo to all state departments and institutions asking for preparations for the shortfall by the end of October.

Perusse's memo states the reduction strategies should focus on eliminating duplicative and underperforming programs; reducing layers of management and administration; streamlining and consolidating programs, offices and services and reducing operating funds due to service efficiencies.

Many of the suggestions in the memo already have been implemented at ECU since the university has faced budget reductions from the state since 2008.

Perusse's memo also states that agencies may suggest alternatives for recovering a full or higher percentage of the cost of providing a specific services, which would include tuition.

Seitz said there will be opportunities for the university community to comment on any plans for the reductions.

"We are in the process of putting it together," he said. "By the end of the month we will be in a position to know what we might be looking at. I believe we are in a good position to cover a 10 percent decrease if we implement a $500 tuition increase."

Contact Josh Humphries at jhumphries@reflector.com or (252) 329-9565.
PUBLIC FORUM

UNC system still serves politics

With a Democratic Club pedigree rooted in the Jim Hunt-Mike Easley Nash County mafia and a lifetime of public service in how to do business with a General Assembly all too willing to do business, the Tom Ross appointment for the presidency on the University of North Carolina system appears to be a pragmatic stroke of genius. With an annual salary of $500,000, the public can rest assured they will continue to be serviced by a university system already bloated with administrative costs.

For those of us concerned with the lack of political diversity in our universities, Ross’ appointment offers little comfort. Universities have adopted an invidious orthodoxy often referred to as political correctness.

In short, universities teach students what to think rather than how to think. For those of us concerned with the mind-numbing accusations of corruption in the Democratic club, Ross’ appointment appears to circle the wagons.

With the previous president of the university system near the heartbeat of the Obama administration, perhaps federal stimulus will keep our public servants in the style of living to which they have become accustomed. Unfortunately, tribute demanded from the average North Carolina breadwinner has already put the cost of an education in the university system out of reach.

Somewhere we have lost our way. We have abdicated the ideals of Davie, Aycock and Fordham to an administration ravenous to control every aspect of our lives. Had the founding fathers of the oldest state-supported university envisioned the tentacles of politics strangling the very mission of higher education, they would have called for the separation of education and politics as loudly as church and state.

JOE EXUM
Snow Hill
OUR VIEWS

Amid state budget fears, county right to mobilize defense

It comes as little surprise that the Pitt County Board of Commissioners would highlight several financial concerns in drafting a list of legislative priorities for the N.C. Association of County Commissioners to pursue in the coming year. A sour economy demands tough decisions in Raleigh next year, and lawmakers are certain to look under every rock for revenue to balance the budget.

Gov. Beverly Perdue has already warned state department heads to prepare for spending reductions as large as 15 percent, signaling how dire she expects the situation to be. However, in their desperation, lawmakers should seek reform within the tax structure on the state level rather than seeking short-term solutions that could cause severe harm to county governments.

At the county commission’s meeting on Monday, the board approved its list of suggested legislative priorities for its state association to pursue when the General Assembly convenes next year. Weighing heavily were a few fiscal issues, notably a broad-based call to protect counties’ revenue base and one opposing any attempts to privatize liquor sales by reforming the Alcohol Beverage Control system. The latter provides significant revenue to local coffers annually and would leave a deep hole were it to disappear.

Given the forces expected to squeeze the state budget next year, commissioners’ concern seems warranted. High unemployment and economic recession continue to undercut state revenue collections.

Gov. BEVERLY PERDUE

North Carolina will not have federal stimulus money to paper over holes in its spending plan. And the governor’s intention to allow several temporary taxes to expire, including the 1-cent sales tax increase approved earlier this year, will serve to further reduce state resources.

That adds up to a projected $3.3 billion shortfall for the fiscal year beginning July 1, and a daunting task for lawmakers when they come...
Death spurs UNC-CH to buy bedrails

Caution prevails after a visiting mom fell from a dormitory bed and then died.

By Jesse James DeConto
Staff Writer

CHAPEL HILL — UNC-Chapel Hill has provided more than 300 students with safety rails for their beds this year and ordered 800 more to meet demand.

Hundreds of students have requested the rails after the death of 49-year-old Donna Sykes, who fell from a bunk bed as she slept in her daughter’s dorm room.

UNC-CH housing director Larry Hicks said the university could provide safety rails for all 8,500 beds for about $250,000.

That doesn’t necessarily mean it would require students to use the rails.

“Our eventual game plan is going to be to provide them for every bed,” he said. “The best place to store them is on the beds themselves.”

The university typically receives about 30 requests for bunk rails each year. That climbed to nearly 70 after UNC-CH displayed the rails in a dorm showroom. But since Sykes’ fall, requests have shot up 10-fold.

“What we’ve experienced is a paradigm shift,” Hicks said. It’s unclear how soon UNC-CH will purchase rails for every bed and whether students will use them. Hicks said the focus right now is on providing rails for every student who wants them.

Starting with about 100 rails for the new semester, the university has borrowed 40 from N.C. State University and ordered 1,000 more; most haven’t arrived.

Hicks said officials don’t know exactly how Sykes died, but her fatal fall was enough to make them consider mandating rails for every bed. At the very least, he said, the university will work to make every student aware that rails are available and ensure there are enough for all students who want one.

“What we want to do is accommodate the requests,” he said. “What we’re taking is a prudent tact.”

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Donna Sykes, right, was visiting her daughter Jesse. Contributed photo

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As state government cuts back, some employees find the pinch inappropriately eased by raises in their pay.

This month, Gov. Beverly Perdue cautioned state agencies that with a $3 billion budget hole looming, they'd better get ready for spending cuts of up to 15 percent for the next fiscal year. There's no surprise there: North Carolina remains mired in the consequences of the Great Recession, and these forecast cuts are only the latest.

And yet, while many thousands of state employees have gone without pay raises for two years, some top bureaucrats in a few agencies have received raises since June of 2009. Some of the raises have been generous indeed, especially in the context of massive cutbacks, salary freezes and reductions and even the elimination of some benefits in private industry. The News & Observer's Lynn Bonner and David Raynor analyzed a report from the state budget office that documented the raises.

Some solid conclusions can be drawn.

First, the timing of these raises could not have been worse or more inappropriate. It's hard to see the logic in giving out raises, some of them hefty, at a time when some agencies will have to cut budgets significantly. If most state employees aren't getting raises because of the budget crisis, then that should apply to everyone, except perhaps those who were given promotions with significant extra responsibilities. In 210 cases identified by The N&O, no promotions were connected to these increases.

Pitching in

Second, the justification for some of these boosts would, in another time, be logical. Some of those who received raises have taken on additional duties because other jobs have been unfilled. OK, but many other workers in state government have had to pick up the slack because there are fewer people in their departments, and they haven't gotten raises.

June Atkinson, state superintendent of public instruction, cited additional duties as justification for a 7.2 percent increase for her chief academic officer, Rebecca Garland, who now makes $152,000 a year, and 6.9 percent for Garland's deputy, Angela Quick, who now makes $130,000. The reason? Atkinson said the department no longer has a deputy superintendent. Frankly, considering that local school boards and local system superintendents do the heavy lifting in public education, giving substantial raises to people in the state bureaucracy seems wasteful and tone-deaf in the middle of a major budget storm.

Third, where's the responsibility and accountability here? It appears these raises came from agency heads, and while the budget office may review them, those who are at the top of the departments of Justice, Health and Human Services, etc., evidently have a pretty free hand. In these times, the Governor's Office should hold the reins tighter and set the bar higher in terms of what justifies a raise and what doesn't.

And right now, it's difficult to justify most raises, especially since most state workers won't see an increase and haven't seen one in so long they probably wouldn't recognize it.

Better times (someday)

Once the state begins to clear some recession hurdles, once revenues come back and unemployment drops and signs in the business community start showing some reliable positive trends, then by all means the governor and legislators should try to restore some steady salary increases to state workers, starting with those in the trenches. It's important for morale and it's only fair.

But that time seems a long way off, and the taxpayers have personally felt the impact of government cutbacks, whether it's longer lines at agency offices or more crowded classrooms for their children. The ramifications of more cuts will be felt in the immediate future as well.

That makes it all the more offensive to hand out raises to high-level and already well-paid supervisors.
NEWS

SAT numbers drop in 2010

By BETTY MITCHELL GRAY
Staff Writer
Published: Tuesday, September 14, 2010 2:16 AM EDT

More Beaufort County high-school students took the SAT in 2010, but their overall performance on the exam dropped slightly when compared to the previous year's results, in contrast to other students across the state and nation, according to a report released Monday by The College Board.

Don Phipps, superintendent of Beaufort County Schools, said it is important to remember that the SAT is intended to measure a student's potential instead of knowledge, as is the case with the ACT.

"We can never be satisfied as long as there is a decline in scores," Phipps said. "However, it must be taken into consideration that the SAT measures a student's potential more than the student's acquired knowledge like the ACT test."

Phipps said he is pleased with the rise in the number of students in the county's public schools who are taking the SAT.

"In a time of economic crisis for so many people, it is a pleasant surprise to see the number of students taking the SAT in our county rise considerably. This may be a sign of more students planning earlier for college," he said.

Students at Northside High School performed better on the SAT than the state and national averages, and Beaufort County students on average performed better than students in several neighboring counties, according to the report.

For 2010, Beaufort County's average combined SAT score was 966, 17 points lower than the county average in 2009 and 14 points lower than the county average in 2008. In 2010, the average math score for Beaufort County students was 497, and the average critical-reading score was 469, according to the report.

At 1018 — 531 in math and 487 in critical reading — the average combined SAT score at Northside High School in 2010 was the only score in Beaufort County above the state average, according to the report. In 2009, the average SAT score at Northside High School was 1016, and in 2008 it was 1034, both above the statewide average for those years.
The average combined SAT score at Southside High School in 2010 was 911 — 475 in math and 436 in critical reading. In 2009, the average SAT score at Southside High School was 992, and in 2008 it was 966, according to the report.

The average combined SAT score at Washington High School in 2010 was 969 — 493 in math and 476 in critical reading. In 2009, the average SAT score at Washington High School was 970, and in 2008 it was 965, according to the report.

Statewide, the average SAT score in North Carolina in 2010 was 1008 when the average scores on the critical-reading and mathematics segments of the test are combined. Math scores stayed at 511 for the third consecutive year. Scores moved up in critical reading by two points to 497.

The national average score is 1017, with a score of 516 for math and a score of 501 for reading.

"I congratulate the Class of 2010 for a strong performance on the SAT," said State Superintendent June Atkinson in a statement released Monday. "Our scores over time have shown that more students are on the right track for success in college. We know we have areas for improvement, but I am pleased that more students are preparing to continue their education after high school."

Of neighboring counties, students in Craven County Schools, at 1007; Pamlico County Schools, at 974; and Pitt County Schools, at 994, had a higher average combined SAT score than students in Beaufort County's public schools in 2010. Students in Hyde County had an average SAT score of 856; in Martin County, students had an average SAT score of 954; in Tyrrell County, students had an average SAT score of 924; and in Washington County, students had an average SAT score of 809, according to the report.

In addition to reading and math, the SAT includes a writing component, although that component is not commonly reported as part of the combined SAT scores. The writing component has been included in the test since March 2005.

On the writing test, North Carolina students earned an average score of 477, a three-point drop from 2009 when it was 480. Nationwide, students taking the SAT earned an average of 492 on the writing test, down one point from 2009.

In Beaufort County, scores on the writing test in 2010 were 438, a drop of 22 points from 2009 and a drop of 33 points from 2008. Students at Northside High School performed the best of the three county high schools included in the report, with a writing test score of 455 as compared to 443 for Washington High School and 410 for Southside High School, according to the report.

Students at the Beaufort County Early College High School, now in its third year of operation, did not take the SAT in 2010.

The 2010 SAT report showed North Carolina had a larger number of students, 57,841, take the SAT than any other class in the state's history. A total of 63 percent of the state's 2010 high-school graduates took the SAT. Nationally, 47 percent of the Class of 2010 took the SAT.

In Beaufort County, 206 high-school graduates, or 47.8 percent of all high-school graduates in the county, took the SAT in 2010, up from 2009 when 166 high-school graduates, or 41 percent of all high-school graduates in the county, took the test and from 2008 when 179 high-school graduates, or 47.1 percent of all high-school graduates, took the exam, according to the report.

The test scores reported Monday are based on the most recent SAT exam taken by public and private-school graduating seniors in 2010.

The SAT is one of the college-admissions tests widely accepted and required by colleges and universities and the one most commonly taken in North Carolina. Of entering freshmen at East Carolina University in 2009, 75 percent scored at least 960 on the SAT; at N.C. State University and the University of North
Carolina at Wilmington, 75 percent scored at least 1080; at the University of North Carolina at Chapel Hill, 75 percent scored at least 1210 on the SAT; at Duke University, 75 percent scored at least 1340, according to the North Carolina SAT report.
An All-Around Talent, Obscured by His Pedigree

By CHUCK CULPEPPER

PALO ALTO, Calif. — For all its feverish recruiting, televised ubiquity and legions of self-proclaimed junkies eyeballing talent, the art of assessing a basketball player somehow retains some mystery, a notion upheld in the offbeat case of Jeremy Lin, a 22-year-old N.B.A. signee.

A little-known 6-foot-3 point guard, Lin wowed an N.B.A. summer league crowd by upstaging the league’s No. 1 draft choice. He signed a two-year contract with the Golden State Warriors and is edging toward becoming Harvard’s first N.B.A. player in more than 50 years. Lin has also become a star among Asian-American fans in the Bay Area.

“Very humbling,” he said.

His eight-year route to this place stands out mostly for its obstacles. Even as Lin steered Palo Alto High School to a 2006 state title, he received no N.C.A.A. Division I scholarship offers. Even after he snared national award nominations while playing for Harvard, his name went unspoken on N.B.A. draft night.

Lin was overlooked by talent evaluators, possibly because of scouting methodology, his ethnicity and his Ivy League roots.

Peter Diepenbrock, his high school coach, said Lin’s cumulative talents had long been overlooked, eluding harried college coaches catching only snippets of him on videotape.

Those skills include a rare court sense and a Ph.D.-level reading of screens. Diepenbrock’s compliments included, “He knows exactly what needs to be done at every point in the basketball game,” “He’s able to exert his will on basketball games in ways you would not expect,” and “It’s just hard to quantify his fearlessness.”

Lin’s Palo Alto teammate Kheaton Scott’s recalled, “It was kind of crazy how well he knew the game.”
"He always knew how the defense was set up and where the weak spots were," Scott added.

Larry Riley, the Warriors’ general manager, eventually came to appreciate Lin’s court presence. “He has that special feel for the game as a point guard,” he said.

In elementary school, Lin said, “I was a punk.” As a 5-3 high school freshman and ace student, he memorably said, “I’m not here for the science department.”

Lin has appealed mostly to the inveterate observer.

There was a time when Lin was on the junior varsity that Diepenbrock marveled that a 13-year-old would implore teammates, “There’s a double screen!” There was the state championship game against powerful Mater Dei when, in the waning seconds, Lin dribbled toward a screen, calmly retreated and restarted a play that ended in his clinching layup. There was the state tournament game when his Palo Alto teammates looked listless, so Lin uncharacteristically scored 35 points.

He flourished for a school across a boulevard from Stanford University, and while Diepenbrock knew Lin as an indifferent practice player, his game would sprout to the size of the moment.

“Everybody saw,” Diepenbrock said. “Everyone knew about him. It was not a case of a hidden guy where we didn’t get the word out.”

Yet videotape could not divulge all of his value. “It wasn’t like we were sitting here in 2006 going, ‘All the coaches are idiots!’ ” Diepenbrock said. He added: “Should somebody have given him a Division I scholarship? No question.”

Rex Walters, the University of San Francisco coach since 2008 and the most recent Asian-American to play in the N.B.A., said N.C.A.A. recruiting rules that limit coaches’ visits to watch players impeded Lin’s discovery.

“So a guy like Jeremy that’s a player, he’s that much harder to watch,” Walters said. “Most colleges start recruiting a guy in the first five minutes they see him because he runs really fast, jumps really high, does the quick, easy thing to evaluate.”

Lin also realized it. “I just think in order for someone to understand my game, they have to watch me more than once, because I’m not going to do anything that’s extra flashy or freakishly athletic,” he said.

At a summer clinic when Lin was in high school, Diepenbrock asked a coach in Harvard gear about Lin and heard, “We’re not interested.”
"Three weeks later, he calls me and says, 'I may have spoken a little too soon,'" Diepenbrock said.

That coach, Bill Holdren, then a Harvard assistant, still stirs gratitude in Lin, for studying his game and for ignoring supposed shortcomings: Palo Alto's modest basketball image and Lin's Taiwanese-American lineage.

"There's no question he was prejudged," said Walters, who played seven N.B.A. seasons after being drafted 16th over all by the Nets out of Kansas in 1993. "You just don't see a lot of Asian kids playing city basketball, playing A.A.U. basketball."

Experts continued to overlook Lin even as he became the rare player to grace a conference top 10 in scoring, assists, steals, blocked shots, field-goal percentage and free-throw percentage — savvy in all, flashy in none. A seasoned summer league coach took a while to notice his team thriving with Lin playing. By then, Lin had smacked into another barrier, the slighting of Harvard.

"People always said you wouldn't be able to make it to the N.B.A.," he said.

Not since Ed Smith wore a Knicks jersey in 1953-54 has a Harvard graduate played in the N.B.A. So Lin, an economics major, said he was startled during his sophomore season when the new assistant Kenny Blakeney said, "You have a shot to play in the N.B.A." With Blakeney's tutelage, Lin's skills improved and his skin thickened against ethnic slurs.

Still, once Lin finished his heady stint at an unaccustomed position, shooting guard, the N.B.A.'s workout system loomed.

"In none of the N.B.A. tryouts do they play five on five," Diepenbrock said. Eight teams invited him to predraft workouts, then he was overlooked through 2 rounds and 60 players chosen.

Lin understood, saying: "They're skill work, some shooting, and they're one on one or two on two or three on three, and that's not where I excel. I've never played basketball like that."

After the draft, Dallas General Manager Donnie Nelson invited Lin to play for the Mavericks' summer team. Lin was encouraged because, he said, "You have teams, plays and referees."

Through five games at 19 minutes a game, he played creditably. Then, in the final game, Dallas was facing Washington and John Wall, the No. 1 draft choice, when another Mavericks guard was injured.

In the fourth quarter, Lin forced a jump ball with Wall, made a steal, tore a rebound from a 7-footer, hit a 3-pointer and made a rousing spin move that drew a charging call, dredging
boos from the crowd. In the days that followed, the phones rang. Lin chose Golden State.

“We evaluated him throughout summer league,” the Warriors’ Riley said. “All that had to happen was for him to confirm what we already believed.”

Riley dismissed the notion that Lin’s signing was a tactic to generate more interest in the team among the Bay Area’s large Asian population. But he said he understood that some people would look at it that way.

The Web site JeremyLin.net received 20,000 hits on July 21, the day he signed. And Walters, whose mother is from Japan and whose father is from Illinois, said: “Now we actually have a true Asian-American, because I’m half-Asian. It’s great for the Bay Area. It’s great for the Asian community.”

When Lin’s agent, Roger Montgomery, phoned with news of a contract offer, Lin woke one napping brother, shouted to another and called his parents.

“I just remember saying, ‘I can’t believe this!’ ” Lin said. “I was yelling. I was fist pumping. I was screaming.

“I can’t remember all that I said, but if you were anywhere near my house, you probably would have heard me.”

*Jonathan Abrams contributed reporting.*
Employers Favor State Schools for Hires

By JENNIFER MERRITT

U.S. companies largely favor graduates of big state universities over Ivy League and other elite liberal-arts schools when hiring to fill entry-level jobs, a Wall Street Journal study found.

In the study—which surveyed 479 of the largest public and private companies, nonprofits and government agencies—Pennsylvania State University, Texas A&M University and University of Illinois at Urbana-Champaign ranked as top picks for graduates best prepared and most able to succeed.

Of the top 25 schools as rated by these employers, 19 were public, one was Ivy League (Cornell University) and the rest were private, including Carnegie Mellon and University of Notre Dame.

The Journal research represents a systematic effort to assess colleges by surveying employers' recruiters—who decide where to seek out new hires—instead of relying primarily on measures such as student test scores, college admission rates or graduates' starting salaries. As a group, the survey participants hired more than 43,000 new graduates in the past year.
The recruiters' perceptions matter all the more given that employers today are visiting fewer schools, partly due to the weak economy. Instead of casting a wide net, the Journal found, big employers are focusing more intently on nearby or strategically located research institutions with whom they can forge deeper partnerships with faculty.

The Journal study didn't examine smaller companies because they generally don't interact with as many colleges. In addition, the survey focused on hiring students with bachelor's as opposed to graduate degrees.

The research highlighted a split in perception about state and private schools. Recruiters who named an Ivy League or elite liberal-arts school as a top pick say they prize their graduates' intellect and cachet among clients, as well as "soft skills" like critical thinking and communication. But many companies said they need people with practical skills to serve as operations managers, product developers, business analysts and engineers. For those employees—the bulk of their work force—they turn to state institutions or other private schools offering that.
Some tax benefits for college costs set to expire at end of this year

Some parents have big dreams about what they'll do when their children start college. They'll take a cruise, go back to school, maybe walk around the house with no clothes on. But unless your child has received a generous scholarship, mooning your neighbors may be all that you can afford to do.

You can take some of the sting out of college bills by taking advantage of the credits, deductions and other tax-advantaged programs Congress has enacted to make college more affordable. At the end of this year, though, some of those benefits are scheduled to expire. Here's a look at what's changing:

Tax credit

The American Opportunity Credit, included in last year’s economic stimulus package, provides a tax credit of up to $2,500 per student in 2010. You can claim the credit for up to 100% of the first $2,000 in qualified college costs and 25% of the next $2,000. To get the full credit, you'll need to spend at least $4,000 on qualified expenses.

Forty percent of the credit is refundable, so a low-income family that doesn’t owe federal taxes could receive a check from the government for up to $1,000.

In addition, the income limits on this credit are broader than limits on the Hope and Lifetime Learning Credits, which have been around since the Clinton administration. Married couples with modified adjusted gross income of up to $160,000 can claim the full credit.

The credit is scheduled to expire on Dec. 31. There’s a good chance Congress will extend it, “but the question is when,” says Mel Schwarz, partner at Grant Thornton in Washington, D.C. One possibility is that Congress will wait until next year to extend the tax credit and make it retroactive for 2011.

In any event, it makes sense to get the most out of the credit available for 2010. If you haven’t already run up $4,000 in qualified expenses, here are some steps you can take before the end of the year:

► Prepay tuition. Many colleges send out tuition bills for the spring semester at the end of the year. If you pay the bill before Dec. 31, you can claim the credit for those expenses on your 2010 tax return, says Melissa Labant, tax technical manager for the American Institute of Certified Public Accountants.

► Buy next semester’s textbooks. Textbooks and course materials are qualified expenses for the American Opportunity Credit. If your child knows what courses he or she is going to take in the spring, you can buy textbooks before Dec. 31 and claim the credit, says Gil Charney, tax researcher for H&R Block’s Tax Institute.

You can’t claim the credit for expenses paid with your 529 college savings plan, says John W. Roth, tax analyst for CCH, a publisher of tax reference books. Because 529 plans also receive special tax treatment — withdrawals are tax-free if they’re used for educational purposes — that’s considered double-dipping. Instead, use your 529 plan to pay for costs that aren’t covered by the tax credit, such as room and board.

CONT...
Coverdell accounts

Since 2002, Coverdell Education Savings Accounts have allowed families to save up to $2,000 a year in a portfolio of mutual funds or other investments. Contributions are after-tax, but withdrawals are tax-free as long as the money is used for qualified expenses. Along with college-related costs, the money can be used for tuition at a primary or secondary school.

Barring action by Congress, though, these accounts will become much less appealing after Dec. 31. Annual contributions will shrink to $500, and tuition for primary and secondary schools will no longer be a qualified expense, says Barbara Weltman, author of J.K. Lasser's 1001 Deductions and Tax Breaks. Even more significantly, a portion of withdrawals taken after Dec. 31 will be taxed, Weltman says. What to do before year's end if you have a Coverdell account:

- Roll it into a 529 college savings plan. As long as you roll the money directly into a 529 plan, you won’t have to pay taxes on it. Withdrawals from 529 plans are tax-free as long as the money is used for qualified expenses.
- Spend the money. Under current law, you can use Coverdell funds to pay for a broad range of education expenses, including computers, school uniforms and tutoring. If you’ve got some money sitting around in a Coverdell account, “use it up,” Weltman says. “That way, it’s all going to be tax-free.”

To suggest columns, e-mail: sblock@usatoday.com. Follow on Twitter: www.twitter.com/sandyblock.
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Penn State Tops Recruiter Rankings

Companies Favor Big State Schools With One-Stop Shopping for Graduates With Necessary Skills

By Teri Evans

(Please see Corrections & Amplifications item below.)

State universities have become the favorite of companies recruiting new hires because their big student populations and focus on teaching practical skills gives the companies more bang for their recruiting buck.

Under pressure to cut costs and streamline their hiring efforts, recruiting managers find it’s more efficient to focus on fewer large schools and forge deeper relationships with them, according to a Wall Street Journal survey of top corporate recruiters whose companies last year hired 43,000 new graduates. Big state schools Pennsylvania State University, Texas A&M University and University of Illinois at Urbana-Champaign were the top three picks among recruiters surveyed.

Recruiters say graduates of top public universities are often among the most prepared and well-rounded academically, and companies have found they fit well into their corporate cultures and over time have the best track record in their firms.

Employers also like schools where they can form partnerships that allow them to work with professors and their students, giving them an inside track when it comes time to make offers for internships and jobs.
Corporate budget constraints also play a role. Recruiter salaries, travel expenses, advertising and relocation costs run upwards of $500,000 to recruit 100 college grads, according to the National Association of Colleges and Employers. "We're all accountable to the bottom line," said Diane Borhani, campus recruiting leader at Deloitte LLP, who said she recently narrowed her roster to about 400 schools from 500.

The impact on students is significant. Steve Canale, head of General Electric Co.'s recruiting efforts, said it is critical for prospective students to ask which companies recruit on campus before deciding where to matriculate. GE, for example, focuses on about 40 key schools—many of them state schools—to hire 2,200 summer interns; upwards of 80% of its new-graduate hires come from its internship pool, said Mr. Canale.

The Wall Street Journal survey of recruiting executives set out to identify the majors and schools that best prepare students to land jobs that are satisfying, well-paid and have growth potential. The Journal collaborated with Seattle-based salary and career-data provider PayScale.com and Boston-based human-resource management firm Cambria Consulting to seek feedback from large public and private companies in nearly 30 industries, including finance, consulting, technology, engineering, marketing and health care, as well as nonprofits and government agencies.

The Journal asked companies to rank schools that produce the best-qualified graduates—overall and by major. Recruiters made clear they preferred big state schools over elite liberal arts schools, such as the Ivies. A number of state schools were added to recruiters' lists in the last two years, including Penn State and Arizona State University (No. 5) and Ohio State University (No. 12).

So where are Harvard University and other exclusive schools? While many companies that answered The Journal's survey say they recruit and hire Ivy League graduates, far fewer ranked them as top picks.

Claudia Goldin, a Harvard economics professor and lead researcher on a study tracking Harvard graduates' career paths, said, "We have none of the basic bread-and-butter courses that serve you well in much of industry." What's more, Ms. Goldin said, at Harvard, more than 55% of graduates went on to a doctorate degree, according to a recent survey, so they tend to stay in a first job for a short period of time—often a year or less. It's an observation recruiters in the Journal's study also made.

A Harvard spokesman said, "Harvard College graduates consistently experience success in the job market and in their chosen fields."

Monica Wilson, acting co-director of career services at Dartmouth College, said it's partly a numbers game: "How can you compare a large state school to a small liberal arts school that produces less than 750 students who go into employment each year?"

While companies didn't rate Ivy League grads best overall, several did favor them in some specific majors. Stanford University, for example, was ranked No. 11 in engineering recruits and No. 16 in business/economics; Harvard was No. 4 in business and economics.

Some companies like certain schools so much they set up offices nearby. The University of Michigan (No. 6) "was a huge selling point" in Google Inc.'s decision to open a sales and operations office in Ann Arbor, Mich., in
September 2006, said recruiting manager Kyle Ewing. The company also opened an office in Pittsburgh where it hires computer-science graduates from Carnegie Mellon University (No. 10 overall, No. 1 for computer science), for the same reason.

Campbell Soup Co., Aernova Aerospace SA and Spanish tech company Barracuda Networks Inc., among others, also set up facilities near the University of Michigan, which ranks in the top 10 across six majors.

Many recruiters say they are closely eyeing schools in their own backyard. Aside from the obvious convenience of proximity, companies are drawn to nearby schools for year-round access to interns and a greater chance that new-graduate hires reside locally, which eliminates relocation expenses.

Partnerships also play a key role. Universities and companies strike research collaborations that often include student participation. Companies get an early look at promising students, leading to internships and job offers.

Partnerships can help boost brand awareness among talented students. The economic climate led Dennis Cornell, head of recruiting for LSI Corp. of Milpitas, Calif., to narrow his on-campus recruiting to three schools where the tech firm wanted to expand its reputation: Purdue, University of Colorado-Boulder and University of California at Berkeley (No. 15 on the overall list, No. 2 for computer science majors and No. 12 for engineering majors).

Corrections & Amplifications
The current annual in-state tuition for the University of Michigan, which ranked sixth in Monday's Wall Street Journal survey of college recruiters, is $11,837 and its annual tuition for out-of-state students is $36,001. A chart detailing how schools ranked in the survey incorrectly gave its in-state tuition as $5,824-$8,577 and its out-of-state tuition as $17,906-$19,170; this article incorrectly said that Michigan ranked seventh. In addition, Stanford University isn't a member of the Ivy League, which is composed of eight East Coast colleges and universities. The article incorrectly identified Stanford, based in Palo Alto, Calif., as an Ivy League school.

—Alexandra Cheney contributed to this article.

<table>
<thead>
<tr>
<th>RANK</th>
<th>SCHOOL</th>
<th>RECRUITING COS:</th>
<th>SAMPLE OF RECRUITER COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Penn State</td>
<td>436</td>
<td>'Bright, well-rounded students...with the core competencies we desire'</td>
</tr>
<tr>
<td>2</td>
<td>Texas A&amp;M</td>
<td>Not available</td>
<td>'Proximity to key operations, quality of candidates and breadth of programs which match our recruiting needs'</td>
</tr>
<tr>
<td>3</td>
<td>University of Illinois</td>
<td>420¹</td>
<td>'Graduates...perform well and tend to stay with the company'</td>
</tr>
<tr>
<td>4</td>
<td>Purdue University</td>
<td>414</td>
<td>'Longstanding relationships, great deal of executive involvement, well-rounded programs'</td>
</tr>
<tr>
<td>5</td>
<td>Arizona State</td>
<td>261²</td>
<td>'Strong ties between our employees and the professors'</td>
</tr>
</tbody>
</table>

¹Companies that came to campus to recruit in 2006 ²Employers interviewing at career fairs ³Recruiters in main university career center only; individual career centers at internal colleges have additional recruiters

Source: WSJ survey, schools

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