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University sets sights on gaining top students

By Josh Humphries
The Daily Reflector

Friday, October 02, 2009

Officials at East Carolina University are planning to create an honors college that is expected to help recruit top-tier students and faculty.

The university affairs committee of the ECU Board of Trustees discussed the move last week and instructed administrators to come back with a funding plan to shift from an honors program to an honors college.

ECU's honors program includes about 900 students, but a college would serve even more, said Michael Bassman, associate vice chancellor and honors program director.

ECU's honors program admits students with SAT scores of 1200 or better and a high school GPA of 3.5 or better. ECU students with a GPA of 3.3 also are admitted to the program.

"It would help us recruit and retain some of the highest caliber students from across the state and from across the nation," Bassman said. "An honors college, more than an honors program, attracts better students and also higher quality faculty."

Other University of North Carolina schools with honors colleges are able to attract students who want the recognition of graduating from an honors college, Bassman said. UNC-Charlotte, UNC Greensboro, UNC Pembroke and Western Carolina University use their honors colleges to attract students and faculty who may be considering ECU.

"We would also be able to offer some scholarships, which would make the honors college more attractive to students," Bassman said. "We would also be able to offer more seminars and more courses for the students and have more resources than we have now."

Bassman said an honors college would expand collaborative relationships and build new partnerships with colleges, schools and departments across campus. Faculty members would have more opportunities to create innovative seminars and lectures for honors students.

The plan also calls for a building to house the honors college at some point in the future, Bassman said. But the college, which officials are hoping will be up running within two years, will likely begin without a building.

The faculty for the college will come from existing ECU faculty who apply to work in the college. Bassman said the privilege of working with honors students would create interest from the faculty and allow them to work on new projects.

A funding plan for the college is in the works and officials will present plans to the ECU Board of Trustees in the coming months.

Contact Josh Humphries at jhumphries@coxnc.com or (252) 329-9565.

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ECU educators contribute to adoption study

By Josh Humphries
The Daily Reflector

Sunday, October 04, 2009

The sexual orientation of adoptive parents does not play a significant role in the well being of their children, a new study contends.

The study, recently published in Adoption Quarterly, was written by Paige Averett and Blace Nalavany, assistant professors of social work at East Carolina University, and Scott Ryan, dean of the University of Texas School of Social Work. It compares the extent of emotional and behavioral problems of adopted children in the context of the sexual orientation of their adoptive parents.

While income and a history of abuse may affect a child’s behavior and welfare, the parents’ sexual orientation plays no part in the happiness of the child, according to the research.

“Sexual orientation did not matter,” Averett said. “Both sets of parents face a lot of the same struggles. If a child has a history of abuse, it makes the child’s behavior difficult regardless. Income factors into behavior and well-being but sexual orientation does not.”

The research was based on survey results from parents who adopted children through Florida’s public child welfare system and data from gay and lesbian couples throughout the United States. It included 155 gay and lesbian couples and 1,229 heterosexual couples.

The couples responded to questions about parent and child characteristics, family composition and dynamics, the child’s pre-adoptive history and current emotional and behavioral functioning.

“We found that there were behavioral and emotional outcomes for children who have a history of abuse,” Averett said. “Age and pre-adoptive sexual abuse were predictors of emotional problems. We also found that an increase in annual income, family functioning and parental satisfaction with adoption preparation services was predictive of significantly less emotional problems.”

As of 2007, there were approximately 130,000 children in the child welfare system waiting to be adopted.

“There are implications for social work educators, adoption professionals and policymakers in this and other recent studies,” Averett said. “We must pay attention to the data indicating that gay and lesbian parents are as fit as heterosexual parents to adopt because at least 130,000 children are depending on us to act as informed advocates on their behalf.”

Florida has the only adoption system in the country that asks potential adopting couples whether they’re gay. But gay and lesbian couples can be foster parents there.

This anomaly and a need to find homes for 130,000 children prompted the researchers to investigate the issue, Averett said. She said myths about gay couples also prompted the study.

Gay and lesbian couples have shown more willingness to adopt hard-to-place children who are often older and suffer from an abusive past, the researchers claim.

“We were looking to see if what people say and think is true,” she said. “There is no science behind the laws that keep gays and lesbians from adopting. We wanted to see what research would show so we did the comparison.”
North Carolina does not have a specific law that keeps gay couples from adopting, but the decision is often left up to individuals in the adoption field.

"If they have their own personal bias — that can be a problem," Averett said.

She said it is easier for singles to adopt in North Carolina because it doesn't raise questions that would be raised by a joint adoption request.

Pervading myths include the idea that gay couples will raise their children to be gay, but it is not backed by science, Averett said.

"Among gay and lesbian parents there are lower rates of homosexuality than there is among heterosexual parents," she said. "Hopefully this study will kick off more similar studies to bring the truth to light."

The study has gained a lot of attention due to its controversial nature, Averett said. The researchers have been contacted by international universities and press agencies.

"It has gotten a lot of reaction," she said. "There are people who want to use it legally and the gay and lesbian community is very excited."

Contact Josh Humphries at jhumphries@coxnc.com or (252) 329-9565.

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ECU recognized for effective use of purchasing card program

East Carolina University recently was recognized by Bank of America for its purchasing card program.

ProCard use by ECU staff and faculty during fiscal year 2008 ranked as one the most effective, based on the number of transactions made on Bank of America corporate purchasing cards. Winners of the Dogwood Purchasing Card Leadership Award were announced at the Bank of America "PCard Summit" this summer.

In recognition of the achievement, the ECU Materials Management Department’s ProCard staff and managers were presented a plaque by Tracey Wopperer, vice president and senior account manager for Bank of America, who visited campus to present the award.

From September 2008 to June, a total of 33,945 transactions were managed using the ECU ProCard program. The benefits of the program are the increased efficiencies realized across campus.

Departments gain efficiencies through shorter delivery times, and reduced processing time and data entry. The university gains efficiencies by reducing the number of forms used on campus and the need for reimbursements.

Additionally, the number of invoices processed has been reduced, and the consolidation of monthly payments directly to Bank of America reduces the number of checks issued. The university also benefits through receipt of a rebate that is based on volume of spend. These rebate dollars are received yearly and are returned to the university’s general fund.

Vendors also benefit by receiving payment within two to three days from the transaction date.

Purchasing cards like ECU’s ProCard save thousands of dollars each year by eliminating the need for creating purchase orders and writing checks for those orders. Combined with earned rebates, this makes using a ProCard for a purchase more cost-effective than the traditional purchase order and check-cutting process.

The savings already accounts for an average of two to three purchases per month by cardholders. Greater savings could be seen with an increased number of cardholders and finding new ways to use the card for payment.

The ECU ProCard is a corporate VISA credit card for business use only that is issued in the employee’s name, with charges billed to the university department and a specific ECU budget code. The ProCard is convenient for departments to make purchases from secure Web sites, over the phone or in person.

There are more than 600 ProCard users at ECU. Every cardholder must attend mandatory training, and all charges are reviewed and approved monthly through a departmental reconciliation.

State and university purchasing regulations still apply when using the ProCard.
Intergenerational center opens after-school program

ECU News Services

Sunday, October 04, 2009

The Lucille W. Gorham Intergenerational Community Center in west Greenville has received a grant for $204,600 from the North Carolina Department of Public Instruction to offer after-school enrichment for academically at-risk third-, fourth-, and fifth-graders in Pitt County.

Called Youth Excelling for Success (YES) 21st Century Community Learning Center, the after-school program is a component of the Lucille W. Gorham Intergenerational Community Center (IGCC) academic program, which helps individuals and families reach their potential. The program began Sept. 14 and operates Monday through Thursday at the IGCC.

Children enrolled in YES and their parents will develop the understanding that “Yes, we can” become academically successful. Although overall academic improvement is a goal of YES, special focus is placed on improving reading and math skills. YES will follow an academic model required by the N.C. Department of Public Instruction, including the use of recreation, science, music, and art activities folded into thematic lessons for academic remediation.

The project also will foster leadership skills through service projects within the west Greenville community, such as the annual Festival of Lights that provides gifts for children at holidays. The project also supports community-building projects with Greenville police and the staff and students of the Ledonia Wright Cultural Center at ECU.

The Intergenerational Community Center was created through a partnership between East Carolina University, the City of Greenville, Pitt Community College and other community partners. Administration of the center is through the College of Human Ecology at ECU.

“The program is generating excitement in the community. Many parents living in neighborhoods surrounding the center have asked for this type of after-school program since the IGCC opened in 2007,” Deborah Moody, IGCC interim director, said.

“Teachers will use non-traditional teaching methods and work closely with parents. YES parents are required to take an active role in the program. This will be a partnership to help students succeed in school, at home, and in the community,” she said.

Up to 150 students may be entering the program as a result of referrals from parents, counselors, Pitt County Schools, Community in Schools, and the Pitt County Department of Social Services.

“This is a great program because the environment is neat and clean and gives the children a place to work on their social skills as well as academics,” YES parent Tara Jenkins said. “My son is not here because I’m working and don’t have time. He’s here because I want him to be in a wholesome environment. That’s the main reason this place is important to us.”

Wanda Gray, another YES parent, said, “The after-school program keeps Dayshawn out of the street after school. It’s just what we needed and wanted for him.”

Peace Love Pirates Cure.set for Wednesday

The second annual Peace Love Pirates Cure." will be held 10 a.m. to 2 p.m. Wednesday, in the Bate Building on ECU’s campus.
“Peace.Love.Pirates.Cure.” is a mix of education and entertainment designed to raise awareness about different types of cancer. A trivia game near the end of the event will allow students to win prizes such as hats, T-shirts and computer mouse pads.

In addition, there will be free food, and a "make your own trail mix" station where people can enjoy a healthy snack made with grains and dried fruit — all cancer fighting foods.

The event is open to all ECU faculty, staff and students as well as the public; however, only ECU students can win prizes.

"Last year's cancer fair brought close to 700 students to the Bate Building," Georgia Childs, assistant director for peer health in the ECU Student Recreation Center, said. "Participants learned how to conduct self-exams and how to quit smoking as well as how to cope when a family member is diagnosed."

"This year, we have added a skin-cancer screening booth, and representatives will be available to discuss Relay 4 Life and Locks of Love."

"Peace.Love.Pirates.Cure." is a collaborative effort partnering the American Cancer Society, Campus Recreation and Wellness, Student Health Services, the Department of Health Education and Promotion, ECU Physicians, Healthy PIRATES, the ECU Women's Studies Program and Colleges Against Cancer.

Other events for the month include a Survivors Panel and breast cancer screening.

Diversified Foods makes donation

Diversified Foods Inc. of Wilson presented the Department of Hospitality Management at ECU with a check for $20,000 at its Tournament of Friends Golf Outing on Sept. 19 at the Lane Tree Golf Course in Goldsboro. The company raised the money through tournament entry fees and sponsorships. The funds will be used for scholarships for hospitality management students in 2009-10.

Diversified Foods has donated proceeds from its Tournament of Friends for scholarships for hospitality management students since 2000. The organization has donated a total of more than $100,000 in scholarships.

This year, about 135 golfers from throughout the United States attended the event. Many are longtime friends of DFI owner H.M. Poythress and Pizza Inn franchisees from North Carolina.

At a dinner following the tournament, Poythress presented a check to Bob O'Halloran, chair of Department of Hospitality Management, and O'Halloran introduced the 2008-09 DFI scholarship recipients, seniors Michael Hoover, Edward Clayton, Joseph Hayes and Timothy Smith.

"We are so glad to be able to support students at East Carolina University. They are the future of the restaurant and hospitality industries," said Darrin Stephens, vice president of sales for DFI and an ECU alumnus, and member of the Hospitality Management Advisory Board. "In the current business climate, we weren't sure how well attended the tournament would be this year, but as it turned out, this was the biggest crowd ever."

"It's hard to overstate how much the Department of Hospitality Management appreciates the support of DFI," O'Halloran said. "They really understand how valuable, and sometimes crucial, scholarships are for our students. Our students are the future leaders of the hospitality industry, and they will reflect back this generosity in so many ways later."

Diversified Foods is a restaurant-management firm with ownership of Pizza Inn, area steak houses and Old South Foods manufacturing.

Upcoming Events:

Sunday through Tuesday: “The Crucible” by Arthur Miller, presented through Tuesday in McGinnis Theater by the ECU Loessin Playhouse. Performance times are 2 p.m. today; 8 p.m. Monday and Tuesday. Web site: www.ecuarts.com Contact: McGinnis Theatre Box Office, 328-6829; ECU Central Ticket Office (800) ECU-ARTS.

Tuesday: “Reflections on The Last Samurai,” presented by Dr. Mark Ravina, 7 p.m. Wright Auditorium as the North Carolina Lecture of the Voyages of Discovery Lecture Series. Free to ECU students, faculty and staff; $10 for the public.

See www.ecu.edu/cs-ecu/calendar.cfm for times, places and more information on these events and other ECU upcoming activities.
October 5, 2009

A Senate Candidate Accustomed to Being Thrown in the Ring

By RAYMOND HERNANDEZ

She emerges from an apparent coma and kicks her cheating husband in the groin. In a showdown with her daughter, she goes flying to the mat after her daughter smacks her in the face. And, after a black-booted bald man hoists her feet-first in the air, she falls on her back, bouncing slightly in her business suit before spaying helplessly on the ground.

As Linda E. McMahon and her husband built a small family business into the billion-dollar empire of World Wrestling Entertainment, she was more than its chief executive: She was sometimes a character in its wrestling matches’ soap-opera style story lines involving family quarrels, infidelity and, of course, mock violence.

Now, Ms. McMahon is playing to a new audience, as she seeks the Republican nomination to challenge Senator Christopher J. Dodd of Connecticut, who finds himself among the most vulnerable of Senate Democrats. Mr. Dodd, who has been in office for nearly three decades, is among the most powerful members of the Senate, heading the Banking Committee as it seeks to overhaul the nation’s financial system.

Ms. McMahon has cut her official ties to the W.W.E. corporation, stepping down as chief executive the day she announced her Senate bid last month. But the vast fortune she amassed as a wrestling mogul is helping her to shake up the race, especially since her campaign says she is willing to spend at least $30 million to win the seat.

In addition, Ms. McMahon’s years in the wildly popular sport of wrestling have brought her instant celebrity, with her candidacy grabbing attention from outlets like ESPN Radio, Fox News and The Wall Street Journal.

Ms. McMahon — who founded W.W.E., formerly the World Wrestling Federation, more than 25 years ago with her husband, Vincent K. McMahon, the company’s flamboyant chairman — has already poured more than $1 million into a television and newspaper advertising barrage since declaring her candidacy on Sept. 16.

That is more money than most of her Republican rivals have on hand, including a former congressman, a state senator, the ambassador to Ireland under President George W. Bush and a businessman.

Those who know Ms. McMahon say it would be a mistake to underestimate her.

“I don’t think anyone should ever question Linda’s resolve or tenacity,” said Dick Ebersol, the chairman of NBC Universal Sports, who has collaborated on projects with the McMamhons. “If anybody thinks she is the
little woman, they are out of their minds. She put the business together."

But rather than celebrating the arrival of Ms. McMahon, a well-financed Greenwich businesswoman who, with her husband, is worth hundreds of millions of dollars, some Republicans are squirming over the emergence of a political novice from a world known for down-market programming featuring leotards and outrageous stunts.

In addition, Republican elders had already begun to coalesce behind Rob Simmons, a former congressman from Stonington, who has a more traditional résumé and an unassuming style. And they worry that Democrats will seize on Ms. McMahon’s association with W.W.E. if she becomes the nominee, costing the Republicans their best chance in decades to defeat Mr. Dodd.

Already, liberal blogs cannot restrain themselves from wrestling references, with The Daily Kos saying wryly that it was too soon to liken “the news of McMahon’s candidacy to getting hit in the face with a steel chair.”

“I’m not a prude,” said State Representative Sean Williams of Watertown, a Republican who is backing another candidate. But he added: “There are going to be people who will make a clear case against her — that she has built her business by objectifying women and promoting violence. That will significantly weaken her ability to win against Dodd.”

In an interview, Ms. McMahon acknowledged that there had been “excesses” in World Wrestling Entertainment’s productions. But she says the organization’s programs now carry the PG rating, alerting parents that their guidance is suggested.

She seemed to dismiss concerns that her ties to the business would undercut her candidacy. “Did anyone in Sacramento expect Arnold Schwarzenegger to show up in a Terminator outfit?” she said. “It borders on silliness.”

And yet Ms. McMahon seems a bit chagrined by her past appearances in the ring, where she, her husband, daughter and son-in-law played themselves in made-up melodramas. Ms. McMahon was not as frequent a performer as her husband, daughter and son-in-law, a wrestler known by his ring name Triple H.

“I’ve seen myself on television and I am not a very good actress,” she said. “That’s why I’ve been in the boardroom.”

Few doubt that Ms. McMahon, 61, is a potentially formidable candidate. A North Carolina native, she graduated from East Carolina University with a bachelor’s of science degree in French. She is friendly with Gov. M. Jodi Rell, who named her this year to the State Board of Education. She has also been active in charitable and cultural organizations, including the Connecticut Grand Opera and Orchestra and the Governor’s Council for the World Special Olympics, the Make-a-Wish Foundation and Sacred Heart University in Fairfield.

But she has quickly become a big target, with videos of her W.W.E. appearances rocketing around the Internet, and her rivals digging up damaging information about her, including her failure to vote in past elections.

Mr. Simmons, the former congressman, also recently criticized Ms. McMahon’s past campaign
contributions to Democrats: She gave to the Democratic Congressional Campaign Committee in 2006, the year Mr. Simmons and a lot of other Republican House members were defeated.

Ms. McMahon’s candidacy has injected another degree of unpredictability into an already unsettled Republican primary and intensified worries within the party that a drawn-out intramural contest could leave its eventual candidate bruised and unpopular.

"This is not helpful," said a senior strategist for one of the Republican candidates, speaking on condition of anonymity because he did not want to be seen as offending the supporters of other candidates. "It is counterproductive for Republicans to be fighting each other when they could be focusing on Dodd."

Democrats, of course, seem delighted, and are suddenly more encouraged about the re-election prospects of Mr. Dodd, who political analysts say is among the most vulnerable Democratic senators running next year.

"The more the merrier," said Phil Singer, a former senior strategist for the Democratic Senatorial Campaign Committee in Washington, referring to the Republican candidates.

National Democratic leaders hope that Mr. Dodd’s standing with Connecticut voters is rising again after a difficult year. In March, a firestorm erupted over Mr. Dodd’s support for a measure that exempted American International Group, a major campaign contributor of his, from Congressional efforts to limit executive pay at Wall Street firms that got bailout money. After initially denying that he was behind the measure, he acknowledged that his staff had introduced it, but said it did so at the urging of the Obama administration.

Mr. Dodd has also faced criticism over disclosures that Countrywide Financial, a lender heavily involved in the subprime mortgage meltdown, assigned Mr. Dodd to a V.I.P. program when it extended him a mortgage in 2003, at the same time he had oversight of the banking industry as a member of the Senate Banking Committee. The Senate ethics committee cleared Mr. Dodd of impropriety on the issue.

Ms. McMahon is certain to highlight those problems, saying Mr. Dodd has become too chummy with special interests.

"It just shows poor judgment on his part," she said. "I just think it’s time for a change."

Ms. McMahon describes herself as a fiscal conservative concerned about runaway spending in Washington and the growing budget deficit. As someone who ran a global enterprise, she says she has the kind of real-life experience that Washington needs.

Andy Heyward, a longtime creator of children’s entertainment who also collaborated with the McMahons, said the fact that Ms. McMahon excelled in a sport like wrestling underscores her grit.

"She’s competed in a man’s world and never been intimidated," he said. "As you can imagine, these people who are in the world of wrestling are big brawny people."
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Sunday, October 04, 2009

Beginning today, Pitt County Memorial Hospital will require all family members and visitors to check in daily at the information desk to obtain a sticker indicating the day of the week and the patient room number they intend to visit.

The sticker will be color-coded for each day of the week.

“By requiring family members and guests to visit the information desk, we will be able to better identify guests in our hospital and provide greater customer service,” Steve Lawler, PCMH president, said. “The new process will also help us prepare for visitation restrictions that may be necessary if the prevalence and severity of influenza in our community increases.”

Stickers will be available at all entrances of the hospital, including the main lobby, the East Carolina Heart Institute, the emergency department, ASU North, the Regional Rehabilitation Center, admissions, and women’s and children’s hospital.

While PCMH is not restricting visitation, the hospital is asking pregnant women and parents of children younger than 18 to be prudent about visiting.

Because these populations are considered among those more at-risk for the H1N1 virus, young children and pregnant women are urged to not visit unless absolutely necessary.

As the flu season progresses, PCMH may implement screening processes for family members and visitors and, possibly, restrict visitation and entrances.

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Prepaid College Savings Plans Might Not Cover All Costs

By SEAN D. HAMIL

In the last two decades, more than a million families around the country have invested in state funds that pledged to cover the cost of attending their state’s public colleges and universities, regardless of how much tuition increased.

But in the last year, the stock market slump and rising college costs have combined to drive all but two of the nation’s 18 such funds, known as prepaid college savings plans, into the red, jeopardizing those pledges.

Even with stock market gains since March, the losses have forced some programs, like Pennsylvania’s and Washington’s, to impose new and higher fees that could amount to thousands of dollars a year in additional costs to parents.

Others, like South Carolina’s, have developed doomsday scenarios, capping how much a family would get if the program shut down completely. West Virginia had to pump $8 million into its prepaid program to help restore its financial health because its fund lost 25 percent of its value in the last year. And Alabama closed its program to new enrollees because the fund lost almost half of its assets — more than $300 million — in the stock market in the last year, and the state might have to put its own money in to keep it solvent.

“I think ultimately more and more of these plans are going to close down to new investments,” said Mark Kantrowitz, the founder and publisher of FinAid.org, a financial aid Web site.

“Every time there’s a significant market downturn, there’s two main ways states make up for the losses: close to new participants to cut off the losses,” Mr. Kantrowitz said, “or raise fees. And raising fees makes it less attractive to new participants.”

The funds were first proposed 23 years ago in Michigan as a fail-safe investment tool. They were quickly adopted by other states after 1996, when Congress allowed them to be tax-deferred under Section 529 of the Internal Revenue Code. In 2001, Congress expanded that to make all qualified educational disbursements tax-free. As a result, the 529 prepaid funds — not to be confused with 529 college savings plans that do not promise a specific return — grew into financial powerhouses, even though 7 of the 18 funds have closed to new investments over the years.

All 18 state prepaid plans differ slightly, but most sell contracts or tuition credits that establish how much someone will pay in now to receive a certain return in the future based on projected in-state public university tuition.

If, in the end, students decide not to go to a state school, they can use the money at other schools, though the amount is likely to fall short of the full cost of tuition.
Between them, the 18 state funds serve nearly 1.6 million families and hold $23.8 billion in assets, ranging from Tennessee’s small $80 million fund serving 9,700 families to Florida’s massive $8.7 billion fund that serves about 850,000 families.

“The reason they’re popular is simply because the states bear the risk, not the individual,” said Jackie Williams, who was executive director of the Ohio Tuition Trust Authority for 10 years, until June.

The trust oversees Ohio’s $590 million prepaid fund, which was closed to new enrollees in 2003 after the state began allowing public universities to raise their tuition as high as they wanted. That resulted in double-digit increases, which, combined with a tough stock market, threw the fund out of balance.

Not every state fully guarantees its prepaid funds. Only five states offer a “full faith and credit” of the state guarantee, and seven are required by law to consider helping the funds out if need be. The other five states — Alabama, Colorado, Nevada, Pennsylvania and Tennessee — and Texas’s new prepaid fund have no guarantee, though officials say they doubt that the states would ever let the funds become insolvent and would step in if need be.

All of the funds but Florida’s and Colorado’s now have an actuarial deficit, meaning they do not have enough money to pay all of their future college tuition obligations. Most are only about 80 percent to 90 percent funded. But many are worse off, like the Illinois fund, which is about 75 percent funded, and South Carolina and Alabama’s funds, which are both about 66 percent funded.

Carol M. Perdue was troubled by a letter she got from Alabama’s treasurer this summer that said the state’s prepaid program had lost about 50 percent of its assets in the stock market. She is suing to force the state to put money into the fund to make up for the losses.

“At first I was kind of scared,” said Ms. Perdue, 40, an insurance agent in Phenix City who has about $30,000 in the program for her two daughters. “And then I felt almost cheated, like I was sold a bill of goods that wasn’t there.”

Even Florida’s program could be in for tough times. The state has stayed out of trouble because it has 90 percent of its assets in fixed income investments, unlike other funds with 50 percent to 70 percent of their assets in the stock market, and it has enjoyed very low tuition increases.

But the Florida Legislature for the first time has allowed public universities to raise tuition by up to 15 percent a year for the next five years, which is much greater than the 6.5 percent average the fund has counted on in the last two decades.

“You can’t keep up with 15 percent tuition inflation with fixed income,” said Andrew A. Davis, executive director of the Illinois Student Assistance Commission, which oversees that state’s prepaid fund. “They’ll have to change something.”

Despite all this bad news, investors continue to see the funds as an attractive option, particularly in a tough economy, for one simple reason.

“Even with all the problems, no one has ever lost money in the process,” said Joseph F. Hurley, founder of Savingforcollege.com, which specializes in dissecting the different 108 college savings and prepaid plans.
Ganesh Seshadri has invested $200,000 in Pennsylvania’s fund, which has lost about 25 percent of its value. He is philosophical about the fund’s losses, which have not affected his investment, though he has stopped investing in it because of the increased fees and costs imposed recently.

“If I get back the return they promised, it will be a good investment, because all of my other investments tanked,” said Mr. Seshadri, 55, a hospital computer analyst in Murrysville, Pa. He has children at Northwestern University and Carnegie Mellon, and one in high school.

Many states, aware of the allure of prepaid funds, are now keeping an eye on Texas, which opened a fund in the last year after closing another one in 2003 to new enrollments. The new fund shifts the burden of the guarantee from the state to the public university system. If the fund runs short, the universities agree to cover the difference between what is available and how much tuition is in the future.

“It’s an interesting idea, but the money has to come from somewhere,” Mr. Kantrowitz said. “Saying you’ll pay anyway is sweeping it under the rug. But it will be interesting to see if it works.”

Texans apparently think it will. Since last September, amid the financial meltdown, about 13,000 families invested a total of $95 million in the fund.