

# Cash cuts have STC blaming governor

■ Community colleges scramble to tweak budgets.

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McALLEN — Local and statewide community college supporters said they have not gotten a good enough explanation from Gov. Rick Perry about why he cut more than \$153 million in health insurance money last month from the two-year budget taking effect in September.

"I think the governor flipped his wig," said Charles Zucker, executive director of the Texas Faculty Association in Austin. "He had over a year to let the community colleges know he would veto anything that would pay for the other half of group benefits. His argument that they were doing something ingenious or were lying does not make sense."

Perry has accused community colleges of inflating the number of employees being paid with state money so the state can pay their health coverage. Perry spokesman Robert Black said Monday that community colleges can also pay employees with local money generated from tuition, fees and taxes and pay health coverage from that funding.

The lack of money means community colleges statewide have a tough decision to make in the upcoming months on how to make up the lost

## COLLEGES

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funding. Some options, while not official, from South Texas College and other institutions include raising tuition rates or cutting programs.

STC President Shirley A. Reed said the situation puts a black eye on the state's education system, which would not appeal to national and international companies wanting to do business in the state.

"You cannot expect the community colleges of this state to be closing the (education) gap, providing greater access and maintaining affordability while they are cutting our funding," she said.

Black said the funding question was first brought up in Perry's 2003 State of the State address.

"By estimating higher education income better, reducing special item projects, and asking community colleges to pay a proportionate share of insurance costs, we could net \$1.1 billion in savings and recovered costs," Perry told legislators on Feb. 11, 2003.

Black also cited a 2005 Legislative Budget Board report, "Staff Performance Report to the 79th Legislature," which indicated the state overpaid community colleges by \$50 million in fiscal year 2003. He said South Texas College was over-funded by about \$2.4 million.

"The state was overpaying on health insurance and the local community colleges were underpaying," Black said. "We don't have this problem with major universities."

Reed said she and many other community college presidents she has talked to were familiar with the budget board report.

"We simply ignore that report because there is no credibility, there is no validity to it," she said.

### WHAT IS AT STAKE FOR COMMUNITY COLLEGES:

The Texas Association of Community Colleges has estimated how much the state's 49 community colleges will lose with Gov. Rick Perry's veto of more than \$153 million in health insurance money for its employees. Following are the schools standing to lose the most and least, along with where South Texas College stands:

### COLLEGES LOSING THE MOST FUNDING:

- Dallas County Community College District: \$15.7 million
- Alamo Community College District: \$12.1 million
- Houston Community College: \$10.2 million
- North Harris Montgomery Community College District: \$10 million
- South Texas College: \$3.9 million

### COLLEGES LOSING THE LEAST FUNDING:

- Western Texas College: \$694,843
- Frank Phillips College: \$585,527
- Clarendon College: \$461,040
- Ranger College: \$374,105

SOURCE: TACC

"You can prove any arguments with numbers — we all know that."

Black said the governor's office had been in contact with the Texas Association of Community Colleges since last year about the funding issue.

He said the reason many community college supporters were surprised by Perry's veto was because they received bad information from the association, which represents the state's 50 community colleges.

Steve Johnson, spokesman for the Austin-based TACC, said the only contact the organization has had with Perry's office has been through proclamations

two-year institutions have passed expressing dissatisfaction with the veto.

"They just finished this budget a little over a month ago and none of this was raised by the governor's office," Johnson said. "No one in the Legislature has ever accused the community colleges in terms of fraud."

Johnson said each community college is responsible for its own legislative requests and that the association is more of an advocate for the campuses.

Rep. Veronica Gonzales, D-McAllen, said Perry's veto was not logical at a time when the state is on good financial footing. The state had a budget surplus of about \$14 million, according to the state comptroller's office.

"Once the Legislature is gone, there's nobody there to really examine if the allegations are true," Gonzales said. "It's just very easy to line-item veto whatever he wants. Education is not the place to go."

Some of the same community college supporters said there are few options available to turn the financial tide before the money is lost in September 2008.

The insurance money for community college employees is intact through August 2008.

"There's not much realistically we can do except encourage people to write to the governor and make sure we do all we can that he doesn't get elected, should he run again," Zucker said.

Johnson said a special session could be called — the next time the Legislature meets regularly is in 2009 for the 81st session — or the Legislative Budget Board could convene an emergency meeting.

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