



West Virginia Higher Education Policy Commission

Higher Education
News Clippings

Week of March 1, 2009

March 6, 2009

Op-Ed Commentaries

Paul L. Hill

How we know what we know

Science is all around us. It is in this newspaper and in the coffee you might be drinking as you read it. An avenue to understanding the world around us, it is in every single thing you see and touch every day.

If science affects us all in such a profound way in our everyday lives, why is it not a larger part of our everyday dialogue?

When the Soviets launched Sputnik more than 50 years ago, catching the United States off guard, the resulting "space race" immediately created a sense of urgency across the country. Everyone was talking about science, research and technology, and the need to keep up.

Children dreamed of growing up to be scientists and engineers. Policymakers passed laws to increase funding for mathematics and science education. Neighbors talked about the space program over their backyard fences. In a word, science was cool.

Today, sadly, that sense of urgency has faded in our country, replaced by complacency and lack of public engagement in scientific endeavors. We all like "techie" conveniences, but have we lost the curiosity to understand them?

How do we know what we know?

In an attempt to jump-start the nation's interest and attention, the scientific community has launched an initiative called "Year of Science 2009." Hundreds of organizations across the country are joining this yearlong grass-roots effort to re-engage the public in science and improve peoples' understanding about how science works, why it matters and who scientists are.

In nearly every state, including West Virginia, participants in the celebration are demonstrating how we know about our natural world and why science continues to be so vitally important to our communities, our country and the world.

This year was selected because it marks several important milestones in the history of science - the 200th anniversary of the birth of Charles Darwin and the 150th anniversary of the publication of his "On the Origin of Species"; the 200th anniversary of the birth of President Abraham Lincoln, founder of the National Academy of Sciences; the 400th anniversary of Galileo's first use of a telescope to study the skies; and the 400th anniversary of the publication of Johannes Kepler's first two Laws of Planetary Motion.

A special Web site - yearofscience2009.org - is helping the general public learn more about science and this important yearlong national event.

Here in West Virginia, a statewide STaR (Science, Technology and Research) Symposium is planned for April to provide a forum for people involved at every level of the state's science and technology enterprise. Information about the symposium and other Year of Science 2009 initiatives in West Virginia is available online at wvresearch.org.

I invite all West Virginians to learn more about the role of science and research in our state, nation and world by visiting the Web site, by attending a Year of Science event or, even better, by initiating grass-roots science programs in their own communities. Find out how fun and accessible science can be!

The biennial statewide Science, Technology and Research (STaR) Symposium is coming up April 14-15 at the Charleston Marriott Town Center. Special keynote speaker will be Michael Shermer, founding publisher of Sceptic magazine. Join us to explore the state and national outlooks for West Virginia's STaR communities, and to share research developments, ideas and collaborations. For more information, visit www.wvresearch.org.

Hill is the vice chancellor for science and research at the West Virginia Higher Education Policy Commission.

Charleston Daily Mail

DAILYMAIL.COM

March 4, 2009

WVU moves quickly to lock down new president Officials say highly competitive job market forcing school to pick before choices disappear

by Ry Rivard, Daily Mail staff

MORGANTOWN, W.Va. -- For the first time in more than 30 years, West Virginia University has selected fewer than three finalists for its top job.

Officials close to the search say that, along with pressure to find a new president quickly, may be due to a highly competitive higher education market.

The university's Board of Governors announced Monday that it was going to bring two finalists for WVU's top job to the Morgantown campus this week for forums with staff and students. For months officials had indicated they would have a final candidate by the first week of April.

This Friday the board plans to pick between the two candidates, Gregory H. Williams, president of The City College of New York, and James P. Clements, provost at Towson University.

The board members acted faster than expected to bring the candidates to campus because of a turbulent and active hiring season for college administrators, officials said.

Given the market right now, they were going to lose their candidates, said the state's chancellor of higher education.

"The risk, if you wait three weeks to make these names public and bring them to campus, then one if not both of them may have been lured away by another institution," said chancellor Brian Noland, of the Higher Education Policy Commission.

"I know with each week that passes more individuals that were within in their candidate pool are accepting offers in other states," Noland said.

There is a lot of hiring going on right now in the world of higher education administration, said Paul Fain, a senior reporter at The Chronicle of Higher Education who covers university administrations.

"If you have a search you don't want to dilly-dally," he said.

Fain said some people are jumping around right now because of the economy. Universities don't want to have things unsettled right now, he said, especially before the start of the fiscal year.

WVU's governing board picked the candidates from a larger pool of candidates selected in mid-February by a 15-member presidential search committee.

"There were certainly more than two," said search committee member Earl Scime, the chair of WVU's physics department.

Scime also said that at the time the search committee sent the board its list there were no known time constraints for any of the candidates.

"I'm not aware of any time constraints that anything was forced in the search," he said.

But Scime said it only makes sense that there would be a short window of time for either of the candidates to be considered for the job. He noted that having their names made public could cause them considerable hardship as they negotiate with legislators and potential jobs in their current jobs.

"You cannot sit out there for two or three weeks saying, 'Hey, I'm going to be the president somewhere else, but give me \$50 million for my institution,' " Scime said.

The WVU's board's appointment is contingent on approval from the Higher Education Policy Commission.

Noland said the commission would meet shortly after the board makes its choice.

He called both Williams and Clements "fantastic" candidates.

"There will be lots of assumptions about the quality of the candidates, but these are two outstanding candidates," he said.

Noland said the next president of WVU will make "significantly more" money than any previous president, though the contract will "be mindful of the current economic conditions and it won't be anything I consider to be out in left field."

The average annual salary for presidents at peer institutions is \$480,000, Noland said. The lowest salary within that peer group is \$355,000 and the highest is more than \$700,000.

According to a review of presidential searches since at least 1977, WVU has announced at least three presidential finalists to meet with the board and often hold forums with students and faculty.

March 3, 2009

Search for WVU chief down to two School's next leader to be chosen Friday

By Davin White, Staff writer

Charleston, W.Va. - This week, two college administrators from outside the state seek to become the next president of West Virginia University.

Members of the university's Board of Governors are expected to choose the new president Friday.

Gregory H. Williams, president of City College of New York since 2001, and James P. Clements, provost at Towson University in Maryland, are finalists for the presidency at WVU, school officials announced late Monday afternoon.

One will fill the vacancy left last year when former President Mike Garrison resigned under pressure over the scandal involving a decision to retroactively award a master's degree to Gov. Joe Manchin's daughter, Mylan Inc. executive Heather Bresch.

Interim President Peter Magrath did not campaign for the permanent job.

Mike Perone, vice chairman of the group Mountaineers for Integrity and Responsibility and chairman of the WVU psychology department, was told that one of the candidates might not be available if the position is not filled this week.

"It's not by choice but it's because one of the candidates will not be available if the decision is not made this week," said Perone, who is unsure which candidate is pressed for time.

"The key thing is that this is a matter that's outside the board's control."

Williams and Clements could not be reached Monday.

Carolyn Long, chairwoman of the WVU Board of Governors and Braxton County schools superintendent, said in a statement that board members decided to move quickly because "top senior administrators in higher education are extremely marketable right now in what is a highly competitive field, and both of these candidates are stellar."

Williams will visit Morgantown Wednesday and Clements will visit Thursday for campus-wide forums. Both will also meet with the Board of Governors during their visits.

Ellis Simon, director for public relations at CCNY, confirmed Monday that Williams was a finalist before WVU officials made any announcement.

"President Gregory H. Williams is a national leader in public higher education," Simon said. "In light of all that he's accomplished at City College of New York, it's not surprising that other universities would be interested in him and that he is a finalist at West Virginia University."

Since Williams took over at CCNY in 2001, the school's enrollment has increased by nearly 50 percent. He also led the first capital campaign in the college's history, which raised more than \$275 million, according to his biography on the college's Web site.

He is best known for his award-winning memoir, "Life On the Color Line: The True Story of a White Boy Who Discovered He Was Black," according to the college's Web site. The memoir tells of Williams' childhood, when he and his brother were abandoned by their white mother and taken by their black father to Indiana. Williams' father passed for white, and he didn't know he was part black until meeting his father's relatives, when he was 10.

Williams holds a Ph.D. and a J.D. from George Washington University. He's served in a variety of positions at GWU, the University of Iowa and Ohio State University, where he was dean of the law school.

Clements holds master's and doctoral degrees in operations analysis from the University of Maryland-Baltimore County and a master's degree in computer science from Johns Hopkins University.

With Clements as provost, Towson has developed scholarship and student support programs that led more minority students to apply and be admitted to the university. Towson has also maintained an 83 percent freshmen retention rate and a 65 percent six-year graduation rate, according to a WVU news release.

Clements has been on the faculty at Towson since 1989. He served as vice president for economic and community outreach from 2004 to 2007, and executive director of the Center for Applied Information Technology from 1999 to 2003.

After a brief look, Perone said both candidates' credentials impress him.

In 2007, the WVU Faculty Senate overwhelmingly backed M. Duane Nellis, a former dean at WVU whose academic credentials easily eclipsed Garrison's.

"I think the faculty by and large is looking for strong academic leadership. That does not necessarily have to come from another professor, another academic," Perone said, but added, "It's really important that we have a president with strong academic credentials."

The fallout over Bresch's degree has continued, as former Provost Gerald Lang has sued the university to halt his hearing before an academic integrity panel, and Bresch has questioned how her situation is different from discrepancies found in 288 other degrees.

"With their administrative experience and academic credentials, they are able to face the kinds of problems we are facing on our campus right now," Perone said of the two candidates. "These are experienced academic administrators."



March 5, 2009

Williams hopes to make WVU even stronger First presidential candidate talks with university, city

BY BRANDY BRUBAKER The Dominion Post

Dr. Gregory Williams — the first of two final presidential candidates under consideration to lead WVU — said he sees a strong university getting stronger.

If he were the next WVU president, he would work to build on the university's 2010 development plan and build on the university's strength.

Williams, president of The City College of New York, visited WVU on Wednesday, speaking to and answering questions from the Morgantown and university communities at four public forums.

The second candidate, James P. Clements, provost at Towson (Md.) University, will be in Morgantown today for a similar visit. The WVU Board of Governors is expected to announce its selection Friday afternoon.

Williams said while at The City College of New York he has:

Increased enrollment from 10,000 to 15,000 students.

Increased research grants and contracts from \$27 million to \$45 million.

Raised \$280 million in the college's first capital campaign.

"I see West Virginia University as a school that's on the move," he said. "I understand that. That's what I've been involved with."

Additionally, Williams said he sees strength in increasing student international experience.

"We are truly in a global community and we have to know what's going on," he said.

Four percent of students now participate in international study — he would like it to be at least 25 percent.

WVU-community roles

Several people at the morning community forum, attended by a couple dozen people, asked questions about how Williams would involve WVU in the Morgantown community.

David McKain, president of the Wiles Hill Neighborhood Association, said as the university grows, so does its strain on the neighborhoods and city services.

Williams said at the City College of New York, students worked in the Harlem community and impacted young children's lives. He said with student growth also comes economic growth, a positive aspect of the student-community relationship.

"It would be irresponsible if we didn't talk about our plans and how we can work together," Williams said.

"West Virginia University needs to have a very close tie to the community."

Matt Vester, associate professor of history, wanted to know what steps Williams would take to reinforce ethical leadership at WVU.

Vester's question was asked during the faculty forum, the last forum of the day and the most heavily attended.

Williams said he hopes WVU can become a model for ethical leadership across West Virginia and the nation.

"There has to be a basic underlying principle in everything we do that we have an institution committed to ethical standards, fairness and responsibility," Williams said.

He said at The City College of New York, he regularly meets with senior management and requires them to show their progress and accomplishments in yearly reviews.

Williams said education is what motivates him.

"This is what gets me up in the morning," he said. "I know the difference education made in my own life and that's why I've been committed to making the same kind of opportunities for students."

During the student forum, attended by about 50 people, Williams was asked a variety of questions ranging from — whether he would bring domestic partner benefits to WVU, and sign a climate commitment pact — to his thoughts on increasing health and wellness, and club sports funding.

Williams promised that if he is selected president, he would investigate each issue to determine what best benefits the university and what is financially feasible.

Student Governor Tyler Pearson wanted to know if Williams will listen to students' ideas.

"Students know they can stop and talk to me and have a conversation," Williams said.

He said he meets with students on a regular basis, attends many college events, and walks around campus to talk to students.

Forty-year WVU employee Paul Martinelli, classified staff representative to the Board of Governors, said staffers have seldom gained the recognition or been heard the way they deserve.

Williams said every employee plays a role in crafting a university's image and success.

He pledged to walk the campus with Martinelli to hear firsthand from workers.

A tough beginning

Growing up poor in the projects of Muncie, Ind., the son of a white woman and a black man, Williams said his father instilled the importance of education in him early on. "My dad said 'Education can change your life,' " Williams said. Williams said he took the lesson to heart and went on to earn five college degrees.

Besides his personal example of the power of education, he also told the story of a student at the City College of New York.

The young man fled Russia with his mother and lived under the Washington Bridge, homeless, for more than a year. At the City College of New York, his whole life changed. He went on to become the college's first Rhodes scholar since 1939 and is now getting his Ph.D. in chemistry from Oxford. Williams said he's excited about WVU and West Virginia, itself. "As we were flying in this morning, we flew over the hills and saw this great place. "It's a great place you have here," Williams said. "It's a great institution."

March 5, 2009

Second WVU finalist says he's a 'get it done' leader

By The Associated Press

MORGANTOWN, W.Va. -- A finalist for the presidency of West Virginia University called himself a team builder and a "get it done kind of person" Thursday, telling prospective employees he has no qualms making or explaining difficult decisions.

"My job is not to make popular decisions. It's to make the right decisions," said James P. Clements, the 44-year-old provost at Maryland's Towson University.

Clements spent the day fielding questions from community leaders, staff, students and faculty as the WVU Board of Governors prepares to fill the post that former president Mike Garrison vacated. He resigned last summer, after less than a year in office, over a master's degree scandal involving the governor's daughter.

The board intends to vote Friday. An announcement is expected late Friday afternoon, after a private meeting of the Higher Education Policy Commission.

The other finalist, City College of New York President Gregory Williams, made a similar campus visit Wednesday.

Both men can boast of academic credentials and leadership posts, but they presented different styles. While the more reserved, 65-year-old Williams shared personal stories of poverty and struggle that seemed to resonate with his listeners, the 44-year-old Clements -- father of four children ages 8-16 -- was so visibly energized that one questioner said she felt she'd just had three cups of coffee.

"Leadership isn't a position," Clements said. "Leadership is about action. It's about taking people from Point A to Point B. I'm a builder. I don't want a position where I come and sit in the office. I want to make a difference."

Asked how he would handle budget cuts, Clements pointed to an order from Maryland's governor to furlough all state employees, including those at Towson. Clements asked for flexibility, then met with employees to discuss how it might work.

Ultimately, he said, lower-paid employees were not furloughed, while higher-paid employees took more unpaid days off than the state had asked.

"We didn't want to lay anybody off. We stayed together as a team," he said.

Afterward, he got no complaints.

"Quite the opposite," he said. "We got e-mails saying thank you for being open, for being honest, for getting us through this."

Clements has taught at Towson for 20 years and worked on economic and educational outreach initiatives.

When a Towson president quit after only nine months on the job, plunging the campus into turmoil, Clements said people turned to him. He led the presidential search, then became co-director of the transition.

"If you ask around Towson," he said, "they'll tell you I was the guy who kind of brought the team back together."

Clements, a first-generation college graduate and the grandson of a coal miner, has a bachelor's degree, two master's degrees and a doctorate.

And as the chief academic officer at Towson, he said he's proud there are no achievement gaps between minority or economically disadvantaged students and the rest of the student body. Towson's graduation retention rates, currently approaching 70 percent, "blow the competition away," he said.

It's critical, he said, that universities ensure every student who starts an education gets the support he or she needs to finish it.

The Faculty Senate scheduled a Thursday afternoon meeting to discuss the finalists, but it was not immediately clear whether it planned an endorsement.

In 2007, the senate backed Kansas State University Provost Duane Nellis for the presidency over Garrison.

Nellis, who had a long academic resume, had also been dean of WVU's Eberly College of Arts & Sciences from 1997 to 2004.

Garrison, in contrast, was a 38-year-old, politically connected attorney with a bachelor's and law degree from WVU.

March 6, 2009

Sources: Clements to be next WVU president

By The Associated Press

MORGANTOWN, W.Va. -- James P. Clements, a 44-year-old college provost from Maryland who calls himself a "get it done" kind of guy, will become West Virginia University's 23rd president, sources involved in the selection process told The Associated Press on Friday.

The sources requested anonymity because they were not authorized to discuss the results of the search before the official announcement. A press conference to introduce the president was scheduled for later in the day, after the Higher Education Policy Commission approves the Board of Governors' selection.

Clements, chief academic officer at Towson University, will take on a school that is trying to move beyond a year and a half of scandal and take its research and reputation to the next level.

The presidency came open last summer when former President Mike Garrison resigned over a master's degree scandal involving Gov. Joe Manchin's daughter, Mylan Inc. executive Heather Bresch. Garrison had been on the job less than a year. Others involved in the scandal either left the university or were demoted.

Clements won the job over Gregory H. Williams, the 65-year-old president of City College of New York.

Board Chairwoman Carolyn Long did not identify the new president after a unanimous voice vote Friday afternoon, describing the board's selection only as "Candidate 9."

The board reviewed hundreds of comments submitted by faculty, staff and others, then had a "good and healthy discussion" over the merits of each candidate that lasted more than three hours, she said.

Clements, a first-generation college graduate and grandson of a coal miner, had made a point of telling WVU faculty and staff on Thursday that he'd never planned to leave Towson and had turned away other suitors.

"We're not looking," he told one group, nodding at wife Beth. "This is where we want to be."

The board had moved up its hiring timetable by several weeks, saying both candidates were highly marketable in the competitive higher education marketplace.

While the Faculty Senate did not endorse a candidate, the incoming president and vice president of the Student Government Administration sent the Board of Governors a letter backing Clements, the father of four children ages 8 to 16.

But Clements appeared to connect with the faculty as well, talking in one forum about the need to improve the university's research work by hiring more instructors, reducing student-teacher ratios, recruiting more graduate students and boosting funding. He also assured them he was a listener and educator first.

"I never miss a senate meeting on my campus," Clements said. "I need to know the issues, and I like the interaction."

Clements also said he sees leadership at a university as an inverted pyramid, with him at the bottom.

"Faculty," he said, "drive the institution."

March 5, 2009

WVU Presidential Search Subject of Special HEPC Meeting

Charleston Staff

The state Higher Education Policy Commission has scheduled a special meeting at 4 p.m. Friday to approve the appointment and salary for the new WVU president.

Interviews with the two finalists have been taking place for the last two days in Morgantown and the WVU Board of Governors is expected to make its decision sometime Friday. State law requires the HEPC to give the final approval.

The meeting will originate in Charleston, but take place through conference call.

March 4, 2009

WVU Foundation Endowment Drops \$100 Million

WAJR-AM Radio News, Morgantown, Monongalia County

The West Virginia University Foundation says its endowment has lost about \$100 million of value during the first half of the current fiscal year.

Meanwhile, the WVU Foundation, which is the private fundraising arm of WVU, raised \$35 million between July first and December 31st of last year. Some of that money goes into the endowment while some of that is earmarked for different purposes.

The \$100 million drop in value amounts to 23.5 percent of its endowment that provides an annual source of income for scholarships, professorships, library funds, academic programs, and research.

The WVU Foundation sent a letter to donors explaining the current financial condition of the fund which sat at \$332 million as of December 31st.

While the loss is a staggering amount the letter says, "the losses experienced by the WVU Foundation have not been as severe as those experienced by others."

The letter was signed by interim president Peter Magrath and WVU Foundation President and CEO Wayne King. In the letter they say, "we assure you that both West Virginia University and the WVU Foundation are financially sound institutions."

The letter goes on to say, "The University is closely monitoring the economy and its overall impact on operations, and we are poised to adapt when necessary. WVU plans no significant cuts to its 2008-2009 budget. University leadership will continue to work closely with the governor and legislative leaders to manage current resources. At the same time we will cautiously plan for the future to insure that we can continue to seamlessly meet the demands of our constituents."

Charleston Daily Mail

DAILYMAIL.COM

March 3, 2009

Manchin initiative pumps up math, reading Skills would be evaluated in third, eighth grades to determine deficiencies

by Michelle Saxton, Daily Mail Capitol Reporter

CHARLESTON, W.Va. -- Gov. Joe Manchin's initiative to develop after-school or summer programs for students struggling with basic skills in grades 3 and 8 is making its legislative debut this week, but there are still plenty of questions.

Among them: how to evaluate students and where to get the funding.

"In our system of education there's a tremendous amount of accountability, as should be, placed on educators," state Superintendent of Schools Steve Paine said. "But we don't really emphasize the responsibility that kids and parents have as they come to the table to learn."

House Bill 2832, which is pending in a subcommittee, would develop a model for critical skills instructional support programs.

They would include accelerated reading and math instruction for 3rd and 8th grade students. The programs could be held after school hours or outside of the school calendar term. Students who do not meet certain proficiency standards would be held back from the next level.

"We can no longer allow children who do not have the critical skill sets they require to advance to the next level," Manchin said during his State of the State address last month. "It is unfair to their parents, it is unfair to their classmates and, most of all, it is unfair to them."

The bill has early support - and questions - from some teacher unions and local educators.

"I think conceptually that this is a good bill, and it's been needed for a long time," said Judy Hale, president of AFT-West Virginia.

"We have never supported social promotion - moving children forward when they're not ready," Hale added. "We have supported intervention strategies to help that student catch up with his peers."

Manchin's budget proposal calls for about \$10 million for the critical skills evaluations and instructional support programs. Some expenses could be blended with existing programs, such as U.S. Department of Agriculture grants for feeding children in summer programs, Paine said.

"We'll bus them and we'll feed them," Paine said. "Just make sure that you take the responsibility to commit to your child to be there every day, and the rest of the job will be ours."

State officials will know more about the costs once they determine the best learning models, what they can afford in each county and how many students can be served, Paine said. As for how to staff the programs, Paine said he would work to recruit teachers who produce the best classroom results.

Existing standardized tests could help determine which students would benefit from the critical skills program, but Paine said he would not rely solely on those results.

"Primarily the most valid indication I would follow would be a teacher recommendation based on classroom grades," Paine said.

Teachers union representatives agree with that method.

"Some kids just simply don't test well," said West Virginia Education Association President Dale Lee.

Grades 3 and 8 are appropriate levels for the critical skills evaluations, education officials say. Children start applying their basic reading skills toward reading comprehension, vocabulary and other subjects after 3rd grade, while 8th grade is right before they start high school and need to be ready for Algebra 1.

"We don't want to lose them at an early age," Lee said.

House Minority Leader Tim Armstead, R-Kanawha, questioned if the proposal's singling out grades 3 and 8 could inadvertently send a message that proficiency in other grades is not as much of a concern.

"At any level a student should not be moved forward to the next grade until they can show proficiencies in their current grade," Armstead said. "I don't think we're doing them any favors by doing that."

But Armstead said he agrees with the overall goal of making sure children's academic growth is reinforced.

"We need to do what we can at those crucial time periods in a student's development and do all we can to make sure the programs are adequate and help them move on," he said.

While evaluating students at grades 3 and 8 is important, it's crucial to catch learning problems even earlier, said Jane Roberts, Kanawha County's assistant superintendent for elementary schools.

"For the kids who are struggling readers you cannot wait till 3rd grade and try to address the problem then," Roberts said. "It has to be addressed all along the way."

Paine agreed that students need this kind of attention from the first day of kindergarten, and he said most educators already do. What the bill does is help parents partner with educators while strategically targeting those grade levels, he said.

Meanwhile, Lee had concerns about whether the proposed critical skills evaluation program is the best use of funds or if smaller class sizes, for example, would have a greater effect in early schools.

While state education officials wait to see if the bill passes, they already have begun investigating possible learning models.

Programs of interest include one with a mentoring focus in Marion County in which certain high school math teachers work with middle school teachers to help them understand better strategies for teaching prerequisite skills for algebra. Another one is a research and technology-focused program that integrates gaming in math learning skills to yield higher levels of student achievement, Paine said.

"I just really believe our kids can be as competitive as kids anywhere else in the world," Paine said.

THE CHRONICLE OF HIGHER EDUCATION

March 2, 2009

Stimulus Law Offers Breaks for Public-College Bond Issues

By GOLDIE BLUMENSTYK, Washington

Tucked into the economic-stimulus package signed into law last month by President Obama is a new financial tool, Build America Bonds, that could help public colleges and public academic medical centers save money when borrowing for capital projects.

The bonds, which are available to government issuers but not private colleges, would be taxable securities subsidized by the federal government.

The subsidy would come in one of two ways. In some instances, buyers of the bonds would receive a tax credit equal to 35 percent on the interest payments they received; in other cases, the issuers of the bonds would receive a subsidy from the federal government equal to 35 percent of the interest they are paying.

Colleges typically borrow for projects by issuing tax-free bonds, which carry a lower interest rate than taxable bonds. Investors accept the lower payoff in exchange for tax savings.

Under current market conditions, a college could save substantially by issuing Build America taxable bonds. For example, if it issued such bonds at the current taxable market rate of about 6.5 percent, rather than tax-free bonds now paying about 5 percent, its effective cost of borrowing, thanks to the federal subsidy, would be 4.2 percent.

Under the terms of the law, the bonds must be issued this year or in 2010.