

College Lesson 3 Life of an Earmark

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Figure 1: A highly earmarked ear of pig. Image cut from a larger image on CNSNews.com.

Once upon a time, one of our two U. S. Senators managed to attach an earmark to a bill to create an industrial training center at our campus. The earmark provided \$500,000 of Federal money which had to be matched by State money, and it specified the sort of equipment that we must purchase to create the training center. It looked like it was written more for the benefit

of the manufacturer of the equipment, than for the benefit of any potential students.

A twenty-nine member committee

A large grant like this attracts to it many campus participants who either have an genuine interest in the grant, or who think it will be a nice feather in their cap. This particular project attracted many people from State government as well—people from Workforce services. Everyone wanted to be associated in some way with a grant that was highly visible because of its size and attractive. I was asked early to sit on this steering committee. Over time it grew to include at least twenty-nine persons. No committee of twenty-nine persons can steer anything.

A business plan

The business plan for this training program was a nicely appointed document outlining a grandiose project that projected 250 participants per year. However, the plan was sloppily put together. For instance, its first iteration omitted salaries of project personnel for a period of time; and the projected graduation rates were based more on what would be needed to support the program, rather than on a realistic assessment of size of any market to benefit from the program. Specifically an estimate of the number of people employed in our state in the sorts of job classifications covered by the project indicated total employment of less than 200 persons. Therefore the projected graduation rate of 250 per year was not sustained by any real data. After pointing out this discrepancy, I was told that the additional students would come from surrounding states. Yet I could not see that we were designing a program so unique it could not have competition in neighboring states, nor that Federal or State job training money would ever flow across State lines to support our program. Things like this do not happen—tax expenditures simply do not cross state lines.

The early years

Naturally, with almost no employment in our region of the sort that would benefit from the program, students were hard to come by. In order to avoid having to admit there was no demand, however, our administrators engaged in subterfuge. For example, we "recruited" eleven women from a different campus initiative designed to teach single mothers construction trades. Somehow these eleven students generated over 100 certificates, or at least that is what a report to the Board of Trustees implied. Later the entire campus received a report about another 43 graduates. These, as it turned out, were campus employees, eight of them, some of whom took five modules of training and some of who took six. They generated 43 student credit-hours, not 43 graduates.

Campus resources

In addition to matching the half-million dollar Federal grant with State money, we had to supply a campus space appropriate to 250 students per year and the equipment involved. This meant taking a very large construction trades area, a construction trades program that would soon get the axe, and modifying it to accommodate fixed equipment. The money for this modification came from the campus general fund, which is to say that programs generating a surplus contributed their surplus to this "start-up". It amounted to about a quarter-million dollars.

Our workforce administrators at this time¹ tended to initiate programs not on a shoe-string budget, but with a program director and some faculty, and even remodeled space immediately. What this always did was to add front-end cost to any program. This industrial training program was no exception. It began with a program director and a faculty person. Soon, the program director decided that the curriculum that came with the specified equipment was inadequate and began a project of rewriting the curriculum. This delayed any sort of start to the program and loaded up the program more front-end cost.

¹Things are now beginning to change for the better in this regard, but old habits died hard.

Wind energy

In late 2007 the head administrator of our college workforce program proposed a wind energy program. This program by design would use courses from the industrial training program as part of its core. This provided some demand for the industrial training program, but still nowhere near projections. Moreover, the rewritten course curriculum generated student complaints that they were not receiving enough instruction to justify each college credit awarded. It may seem odd that students would complain about too little course work per credit, but some of the alternative energy program students paid for their education themselves and felt cheated by courses with too little work. Remember, students pay by the college credit, not by the amount of instruction they receive or what they learn.²

More public resources

People in our service area are generous. They give freely to the college and its programs. The Wind Energy program gathered a group of dedicated supporters of its own, and drew in many tens of thousands of dollars of donations. Since the Wind Energy program had become the de facto reason for continuing the industrial training program, one could argue it too gathered a portion of this generosity. Moreover, because of a national obsession with alternative energy at the time, both the Wind Energy program and the industrial training program gathered more than a million dollars of money from the National Science Foundation (NSF).

What has this money produced? It has paid supplemental salaries to college employees, but otherwise has produced nothing that visibly contributes to student learning, or program improvement.³ As a Trustee I felt compelled to have our auditors examine these programs. They found adequate controls on spending, but such audits cannot determine the wisdom of such spending, which is what I would like to know.

²For example: in some instances one credit hour was granted for a couple of hours of laboratory work on a weekend. This is in contrast to the empirical rule that it takes about 15 hours of course effort to generate one college credit hour.

³One can argue that the effort to spend the 2009 Federal Stimulus money lead to a lot of money thrown carelessly at dubious "shovel ready" projects, especially if they related to alternative energy. I wish the IG's office would audit these.

And more campus resources

By year 2011 the budget for the industrial training program included almost no provision for its director, who now was being paid 75% of his salary by NSF grants, and made no provision for other people marginally related to it, also being paid partially by NSF, but did include about \$60,000 for educational supplies. To put this in perspective consider that this program, which serves mainly students from Wind Energy, a separate program having its own supplies budget, is buying supplies in excess of our anatomy, astronomy, biology, chemistry, geography, geology, physiology, and physics programs combined.

Not only was this budget excessive, in my view, it couldn't be spent in a single year, and administrators allowed its unspent balance to be carried forward. This made the budget grow with each succeeding year. Clearly it was time to rein-in this program. Doing so made me an unpopular Trustee with some people on campus⁴.

Conclusion

The program which grew out of this legislative carve-out produced a sort of corruption of our campus. It caused unneeded modifications of campus buildings. It employed unneeded staff. It drew upon a network of campus resources to the tune of many hundreds of thousands of dollars—all of it money contributed by programs earning their way. It made unnecessary connections to other programs in order to justify its existence. It precipitated misrepresentations of enrollment to make itself appear well subscribed and needed. It spawned a culture of entitlement and secrecy over its expenditures and operations that is incompatible with a public institution. It has never met its projections of enrollment. A Federal earmark of \$500,000 produced perhaps four times as much consumption of local resources.

As of 2013, after eight years of operation, it produced but a single graduate of its own. Beware free money.

⁴After I highlighted the budget excesses of this program in a Board meeting, and asked for some accounting of its uses, the Program Director was observed to be complaining in a loud voice outside the meeting room that I should mind my own business. In fact, this is what I was doing.