University of Missouri considers whether to offer domestic partner benefits

By MARÁ ROSE WILLIAMS
The Kansas City Star

The University of Missouri is collecting stories from its faculty and staff that illustrate how not providing domestic partner benefits affects hiring.

Noel English, director of the MU Equity Office, is putting together a report using the stories she collects to determine whether the university should change its policy on not granting domestic partner benefits.

The report will go to University of Missouri System administrators, who will make the decision whether to consider a policy change, said Mary Jo Burton, MU spokeswoman.

Wandra Green, spokeswoman for the University of Missouri-Kansas City, said she did not know whether similar information was being compiled at UMKC, and human resource officials were not available to comment on the matter.

But faculty leaders said the domestic benefits issue has been talked about on the system's four campuses for years.

"It was raised back when Elson Floyd was university system president, and the Board of Curators was unwilling to do it then," said Gary Ebersole, UMKC Faculty Senate chairman and a member of the MU System Inter-faculty Council. "Missouri is a pretty conservative state. But the faculty council almost unanimously is in support of extending benefits to domestic partners."

Some employees speculate MU may be losing quality job candidates and may lose quality faculty members because it does not offer such benefits.

An MU faculty member spoke in December at a town hall-style meeting called by the university system's president, Gary Forsee. She told Forsee that she and a male colleague both had families, the same duties, brought in the same amount of research dollars and had won awards. Yet he can provide health benefits for his wife, while her benefits do not cover her lesbian partner.

Nationally more than 280 universities offer employees domestic partner benefits.

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Who are MU's biggest local contractors?

by Chris Dieterich

January 8, 2010

The University of Missouri paid hundreds of millions of dollars to Columbia businesses and organizations for items and services during the 2009 fiscal year, and the list is topped by construction services, textbooks, lodging, food and furnishings.

Columbia businesses and organizations received $79.5 million in payments from the university from July 2008 through June 2009, according to data provided by the university to the CBT. Approximately 86 percent of the funds, or $68 million, were made to 88 vendors who each received payments exceeding $100,000 during the fiscal year. (See list on facing page.)

In all, the university made payments to more than 1,050 businesses and organizations with mailing addresses in Columbia during fiscal 2009. The services vendors provided to the university ranged from architectural, contracting and construction work to advertising, hospitality and food services. Payments reflected in the data also include those made for overhead services such as utilities, rent and mail.

Atop the list for university payments is J. Louis Crum Corporation, a Columbia-based mechanical contractor. Company President Don Fritz was surprised to learn his company received more from the university than any other Columbia business in fiscal year 2009.

J. Louis Crum received just more than $8 million for contracting work relating to MU campus and hospital construction during that time.

The university is now one of the largest contracting opportunities in the state, Fritz said. The 2009 University of Missouri-Columbia/Campus Facilities Master Plan lists 16 campus improvement projects that are either in design or under construction.

Fritz said most of the payments J. Louis Crum received from the university, $6.2 million, stem from a 17-month contracting project that called for the installation of a steam tunnel and chilled water piping to the new Missouri Orthopaedic Institute. J. Louis Crum and MU entered into a contract agreement after the company placed a bid for the project, and Fritz said that the company paid $2.6 million out of that contract to pay various subcontractors for portions of the work.
The university's procurement rules require that all purchases of more than $10,000 be put out for bid unless an existing contract exists between the university and a vendor or the needed services are unique to a specific supplier. Bidding is optional for purchases between $5,000 and $10,000, and purchases fewer than $5,000 do not require a bidding process.

Other major university payments in 2009 included $6.4 to MBS Textbook Exchange for book purchases to supply the campus book stores.

With record enrollment, MU ran out of dormitory space again and had to renew arrangements with Campus Lodge and Campus View to house freshmen and paid the apartment complex operators $2.3 million and $808,000 respectively.

Marathon Office Interiors won the most bids for furnishings at the MU campus and hospitals and was paid $2.3 million. Simon Oswald Associates topped the list for local architectural services. The company was paid just more than $800,000 in 2009. Kilgore's Medical Pharmacy was paid $517,000 after it won a bid to supply pharmaceuticals for the Missouri Kidney Program, a state program administered by the university designed to help Missouri residents gain access to transplants.

Other services provided to a university are beyond the normal scope of business operations. Paternity Testing Corporation, for example, was paid $258,366 by the university to rent space for the Thompson Center Autism and Neurodevelopmental Disorders at 300 Portland St.

Payments in the data provided by MU include both contracts arranged after a bidding process and purchases made without a bidding process. The data show the aggregate payments made to Columbia vendors during fiscal year 2009. University policy does not require bidding for large purchases when the items are intended to be resold, such as textbooks, MU spokesman Christian Basi said.
Federal Reserve Seeks to Block Release of U.S. Bailout Secrets

January 11, 2010, 12:42 By David Glovin

Jan. 11 (Bloomberg) -- The Federal Reserve will ask a U.S. appeals court to block a ruling that for the first time would force the central bank to reveal secret identities of financial firms that might have collapsed without the largest government bailout in U.S. history.

Bloomberg argues that the public has the right to know basic information about the "unprecedented and highly controversial use" of public money. Banks and the Fed warn that bailed-out lenders may be hurt if the documents are made public, causing a run or a sell-off by investors. Disclosure may hamstring the Fed's ability to deal with another crisis, they also argued. The lower court agreed with Bloomberg.

"The question is at what point does the government get so involved in the life of the institution that the public has a right to know?" said Charles Davis, executive director of the National Freedom of Information Coalition at the University of Missouri in Columbia. Davis isn't involved in the lawsuit.

The ruling by the three-judge appeals panel may not come for months and is unlikely to be the final word. The loser may seek a rehearing or appeal to the full appeals court and eventually petition the U.S. Supreme Court, said Anne Weismann, chief lawyer for Citizens for Responsibility and Ethics, a Washington advocacy group that supports Bloomberg's lawsuit.

Seeking Disclosure

New York-based Bloomberg, majority-owned by Mayor Michael Bloomberg, sued in November 2008 after the Fed refused to name the firms it lent to or disclose the amounts or assets used as collateral under its lending programs. Most were put in place in response to the deepest financial crisis since the Great Depression.

"Bloomberg has been trying for almost two years to break down a brick wall of secrecy in order to vindicate the public's right to learn basic information," Thomas Golden, an attorney for the company with Willkie Farr & Gallagher LLP, wrote in court filings. He said the Fed may be trying "to draw out the proceedings long enough so that the information Bloomberg seeks is no longer of interest."

The Fed's balance sheet debt doubled after lending standards were relaxed following Lehman's failure on Sept. 15, 2008. That year, the Fed began extending credit directly to companies that weren't banks for the first time since the 1930s. Total central bank lending exceeded $2 trillion for the first time on Nov. 6, 2008, reaching $2.14 trillion on Sept. 23, 2009.

Freedom of Information

The lawsuit, brought under the U.S. Freedom of Information Act, or FOIA, came as President Barack Obama criticized the previous administration's handling of the $700 billion Troubled Asset Relief Program passed by Congress in October 2008. Obama has said funds were spent by the administration of former President George W. Bush with little accountability or transparency.

FOIA requires federal agencies to make government documents available to the press and public.

In her Aug. 24 ruling, U.S. District Judge Loretta Preska in New York said loan records are covered by FOIA and rejected the Fed's claim that their disclosure might harm banks and shareholders. An exception
to the statute that protects trade secrets and privileged or confidential financial data didn’t apply because there’s no proof banks would suffer, she said.

Burden Not Met

The central bank “speculates on how a borrower might enter a downward spiral of financial instability if its participation in the Federal Reserve lending programs were to be disclosed,” Preska, the chief judge of the Manhattan federal court, said in her 47-page ruling. “Conjecture, without evidence of imminent harm, simply fails to meet the board’s burden” of proof.

In its appeal, the Board of Governors of the Federal Reserve System argued that disclosure of “highly sensitive” documents, including 231 pages of daily lending reports, threatens to stigmatize lenders and cause them “severe and irreparable competitive injury.”

“Confidentiality is essential to the success of the board’s statutory mission to maintain the health of the nation’s financial system and conduct monetary policy,” Assistant U.S. Attorney General Tony West and Fed lawyer Richard Ashton wrote in a legal brief to the appeals court.

“The board’s ability to administer lending programs crucial to maintaining national financial and economic stability will be severely undermined if lenders won’t come to the regional Federal Reserve Banks “for their funding needs, particularly in time of economic crisis,” they said.

Protected From Disclosure

Historically, the type of government documents sought in the case has been protected from public disclosure because they might reveal competitive trade secrets, Davis said. Laws governing such disclosures may be due for a change, he said, following the far-reaching U.S. bailout.

“If you are in need of a bailout and turn to the federal government and say, ‘help,’ with that comes some requirements in terms of transparency,” Davis said.

The Fed is joined in its bid to overturn Preska’s order by the Clearing House Association LLC, an industry-owned group in New York that processes payments between banks. The group assailed the judge’s decision for what it said were legal errors, such as applying the wrong standard in weighing the exception to FOIA.


Directly Participate

Preska allowed the association to join the case so that it could directly participate in the appeal. More than a dozen other groups or companies filed amicus, or friend-of-the-court, briefs, including the American Society of News Editors and individual news organizations.

The judge postponed the application of her ruling to allow the appeals court to consider the case.

Also today, the same appeals court will hear arguments in a lawsuit brought by News Corp. unit Fox News Network seeking similar documents. U.S. District Judge Alvin Hellerstein in New York sided with the Fed in that case and refused to order the agency to release the documents.

Mizzou apologizes, but Navy hardly accepts it

ASSOCIATED PRESS

University of Missouri administrators apologized to the U.S. Naval Academy for what they say was a misunderstanding about band performances after the Texas Bowl last week. MU’s marching band continued to play the Mizzou fight song as the Naval Academy band began to play its "Blue and Gold" anthem.

Representatives of MU and the Naval Academy had agreed that the losing team's band would perform first, MU spokeswoman Mary Jo Banken said. After Missouri lost, its band began playing its typical sequence, MU band director Tom O'Neal said. That includes playing the fight song, singing the alma mater and finishing with another round of the fight song.

The Naval Academy's band apparently began performing before MU's band had completed that sequence, he said. And MU's some 300 band members did not hear the academy's 50 performers start playing their own alma mater from the opposite corner of the field, he said.

Richard Johnson, executive vice president of the U.S. Naval Academy Foundation, said he finds it hard to believe that was the case. He attended the game and said he watched MU band officials looking over their shoulders as the Naval Academy began to play.

"I'm not sure this isn't revisionist history going on," he said. "I think Navy fans were disturbed by it. It was an embarrassment for Missouri. Whether or not it was intentional, that's the way it came across." (AP)
DEAR READER: Sometimes the commentary becomes the news

By Jake Sherlock
January 8, 2010 | 3:19 p.m. CST

There is no option for readers to delete their own comments at ColumbiaMissourian.com. Should there be?

That question came up this week after a passionate discussion took place regarding the actions of Marching Mizzou following the Texas Bowl.

Margaret Fries, of The Woodlands, Texas, wrote a letter to the editor criticizing the band for playing at the same time Navy’s Drum and Bugle Corp. was performing following the Midshipmen’s 35-13 victory over the Tigers.

That’s when the comments took off.

Members of Marching Mizzou and other MU supporters came to the band’s defense, saying there was a miscommunication between the two camps and no disrespect was intended. Other Navy fans weighed in with criticisms similar to Fries’. Some of the comments were respectful and thoughtful — others were anything but.

Similar conversations were held on the Texas Bowl’s Facebook page. At Chron.com, home of the Houston Chronicle, one commenter posted the e-mail addresses of various MU officials to encourage irate fans to demand an apology.

Explanations that it was all just a mix-up were offered. MU officials apologized. While some fans remained skeptical (read their comments here), others accepted the explanation. And for a few, writer’s remorse set in.

Several commenters e-mailed to ask if their posts could be removed. One or two indicated that they expected there to be a button where users could delete their own posts. Fries, too, asked that her letter be removed from the Web site.
The decision was made not to remove the letter (to the best of my knowledge, the Missourian has never deleted a letter). It was the piece that sparked the conversation. There is no value in pretending it didn’t happen.

As for the comments, any that broke the posting rules – e.g. any that were personal attacks or included profanities – were removed. The rest were kept. These comments, just like the letter that sparked them, offer differing perspectives for this story. Eliminating those perspectives is like rewriting history, as if to say someone else’s view of what happened after the game didn’t matter.

Commentaries – whether they be traditional newspaper editorials, columns, letters to the editor and now online comments – offer context and understanding to controversial issues. The Navy fans who criticized Marching Mizzou may not have realized how dedicated those students are to their music. The MU folks who think the other fans are just a bunch of “sore winners” may not have realized how important tradition is to a service academy like Navy.

Did we get it right, or should we allow commenters to remove their own posts whenever they have second thoughts?

Jake Sherlock is the Missourian’s opinion section editor. He loves talking to readers and encourages you to e-mail him at SherlockJ@missouri.edu, give him a call at (573) 882-9951 or tweet him on Twitter @JakeSherlock.
Dumping E-tax, then taxing land would benefit Kansas City

By E. Thomas McClahan, Kansas City Star Editorial Page columnist

Mayor Mark Funkhouser caused a bit of a flap with his statement that he would consider repealing Kansas City's earnings tax.

Judging by some of the comments I heard, the reaction boiled down to: There he goes again. Imagine, wanting to scrap a tax that brings in around $200 million a year — about 40 percent of the city's general fund. The guy must be nuts.

Actually, he deserves credit for being willing to take a fresh look at this subject. The earnings tax has helped squeeze money from people who work in Kansas City but live elsewhere, spreading the tax load beyond the city's borders.

But over time, it's been an insidiously damaging tax, which is why a petition drive has begun that could lead to its demise.

The earnings tax creates a direct incentive for people to avoid living or working in the city. As University of Missouri economist Joseph Haslag showed in a 2006 study, it lowers people's incomes and decreases the return on capital.

As Haslag wrote, "In a city with an earnings tax, diverting investment to the suburbs becomes profitable sooner than it would have without the earnings tax."

Haslag, commissioned by the free-market Show-Me Institute, followed the earnings-tax study with a second piece of research on how to replace it. His suggestion: A land tax.

Instead of taxing buildings and land at the same rate, the levy on land in the city would be steadily increased over a period of years.

The idea isn't especially well known in Missouri and it may well run afoul of the state constitution, which would mean that putting it into effect would take years of effort. But it would be well worth it.

So many of the taxes we pay are levies on productive effort, which tend to discourage activities and endeavors we should welcome. We want an economy that rewards wealth creation, development, hiring and trade, but we tax incomes, structural improvements, payrolls and sales.

These taxes, to varying degrees, tend to undermine their own foundations, as is obvious in the case of the earnings tax as we look back on decades of outflow from the city.

Probably the worst is the property tax, which encourages developers to throw up cheap structures or allow their buildings to deteriorate. If they put up something substantial, their "reward" is a larger tax bill — one reason developers spend so much time trying to win abatements and other goodies from politicians.

A land tax creates no such distortions.

Unlike people and capital, land can't flee the city. A land tax is not based on the value of structures. It's based on the land's location value, which is derived from its proximity to geographic features, thoroughfares, amenities or complementary businesses.

The key point: A land tax would encourage investment. Property owners would be penalized for hoarding acreage and doing nothing. For example, speculators who own parking lots downtown — where land taxes would be highest — would have to develop their parcels or sell them to
entrepreneurs capable of putting up profitable buildings and realizing the full economic potential of the location.

Harrisburg, Pa., began imposing a higher levy on land more than 30 years ago. In the ensuing years, it steadily raised the rate relative to the tax on structures.

I last wrote on this topic in 1997, when the Harrisburg land tax rate was four times the rate for structures. As Business Administrator Nate Sanders put it, "What we found is that if you make land very expensive to leave vacant, they tend to build on that land and make it productive. We wanted to make it expensive to sit on land and speculate."

Since then, the Harrisburg land tax has been raised to six times the rate for structures. Steve Howe, director of assessment for Dauphin County, Pa., noted that today there "aren't a lot of vacant properties" in Harrisburg.

Think of all the vacant, idle parcels around Kansas City and what would happen if City Hall made it "expensive to sit on land and speculate."

Replacing the earnings tax with a land tax won't be easy. It would take many years. But that's all the more reason to get started.

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Missouri cows, by way of New Zealand farming

A handful of Kiwis have helped boost the state's dairy industry. But acceptance of the foreigners has been slow in coming.

By Phillip O'Connor January 11, 2010 - Reporting from Vernon County, Mo.

Kevin van der Poel remembers the skepticism and suspicion when he moved here more than four years ago from New Zealand to raise dairy cattle.

When he started construction on rock walkways for moving cattle between pastures, rumor spread that he was building housing for victims of Hurricane Katrina. Some locals thought his cows seemed too thin and speculated that they had to go too far to forage or weren't adequately protected from the elements.

He was a foreigner who had purchased a prized farm and had a different way of doing things. Some folks told him he would fail -- though you would be hard-pressed to get many of them to say so now.

Instead, Van der Poel is among those credited with boosting the state's reeling dairy industry. In the last few years, he and a handful of New Zealanders have invested $100 million in Missouri's dairy industry, which annually generates more than $900 million in economic impact.

The New Zealanders operate four dairies and own almost 10% of the state's herd. And with milk prices so low, their less expensive methods -- which mostly involve a different way of feeding cows -- are luring converts.

"Their impact has been so significant in our state that it's hard to get your arms around it," said David Drennan, executive director of the Missouri Dairy Assn.

But acceptance has been slow in coming.

Tony Finch understands why some people might be resentful.

"People see [the New Zealanders' success] as a threat, or [that there is] a degree of arrogance that we do it right and they do it wrong," said Finch, general manager of Grasslands Consultants, another New Zealander operation with 9,000 cows on 10,000 acres.

In many ways, the New Zealanders are returning Missouri dairy farmers to their past. Traditionally, all the state's dairy cows grazed on grass. But in the 1970s, many farmers began to use confinement operations, where cows are kept in stalls and fed grain, to increase the amount of milk produced.

In the Ozark region, costs rose as more feed needed to be delivered and more manure needed to be removed. Labor was scarce. Farm kids were moving away, unwilling to work the intensive hours that confinement dairies required. Shrinking profits and volatile markets drove many out of business or into other types of farming.
In 1975, the state had 20,000 dairy farms and 333,000 dairy cows. Today, there are about 2,000 farms and less than one-third the number of cows.

Before the Kiwis arrived, the University of Missouri had tried to step up its work with the few farmers running pasture-based dairies. But "most of the industry saw it as a stop-gap measure to keep small dairy farmers alive," said Joe Horner, an economist with the school's commercial agriculture program. "We didn't get a lot of recognition out of our existing dairy industry that this was a viable, profitable system."

One indicator of success the New Zealanders have had is their continued expansion, in Missouri and elsewhere. Some have established operations in Georgia, and more are looking at other Southern states.

New Zealanders are considered among the most efficient dairy producers in the world. But much of that country's suitable land has been converted to pasture, driving up prices and forcing dairy farmers to look overseas for new opportunities.

Van der Poel, 46, had farmed for 20 years and wanted to expand. He and his wife found land in Vernon County, Mo., for $2,000 an acre that would have cost 10 to 15 times as much back home. And because Americans consume most of the milk produced in the United States, they thought prices would be more stable than in New Zealand, where almost all milk is exported and prices tend to fluctuate more.

When they noticed strangers waving at them as they toured the area, the Van der Poels were sold.

Now, on about 5,000 acres, they have 3,800 dairy cows and an additional 2,000 still too young to milk. The operation pumps about $6 million a year into the local community and employs 28 people, about a third the number required to run a confinement dairy with a similar-sized herd.

Van der Poel said he had found farming in Missouri more challenging than he anticipated. For example, his operation has had to endure some of the widest price swings the American market has seen in decades. And he's had difficulty finding specialized equipment and trained workers.

But overall, he said, most people have been welcoming.

Not long after hearing the Katrina rumor, the couple held an open house to try to dispel such talk. They expected a few hundred people, but more than 3,000 turned out, Van der Poel said. Cars were backed up more than a mile waiting to get in.

O'Connor writes for the St. Louis Post-Dispatch.

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