Higher-ed chief suggests ways to save money

By Janese Heavin

Tuesday, January 26, 2010

In a letter sent last week to chancellors and college presidents, Missouri Higher Education Commissioner Robert Stein outlined some cost-saving ideas, including closing colleges or privatizing public schools. The ideas are only meant to serve as a catalyst for further discussions, he wrote, but it would be irresponsible not to start planning for what is expected to be a dire financial future.

Public colleges are somewhat shielded from the state’s budget knife this year because of regulations attached to federal stimulus dollars. Gov. Jay Nixon’s budget recommends a 5 percent cut to higher education in the upcoming fiscal year.

But that budget is balanced with $900 million in federal stabilization money that runs out at the end of fiscal year 2011. That’s when colleges and universities can expect severe cuts, said Paul Wagner, deputy commissioner of the Missouri Department of Higher Education.

"The state’s going to have a billion-dollar shortfall unless there’s some other federal bailout," he said. "Higher education might be on the hook for $250 million of that. You could close several schools and not make that up — maybe all of them except the University of Missouri System. Those are the kinds of possibilities on the horizon."

In the past, universities have been able to offset state funding cuts by raising tuition. This situation is different, in part because colleges agreed to keep tuition flat for two straight school years, but also because a relatively new law limits how much colleges can increase tuition without special state permission.

In addition to closing, combining or privatizing schools, ideas included shifting more benefit costs to employees, increasing class sizes and forcing students to repay state financial aid if they don’t graduate. The suggestions came from leaders within the higher-education community and are expected to be discussed at the Coordinating Board for Higher Education meeting next month, board Chairman Lowell Kruse said.

“Our hope is that everyone will come up with lots of ideas,” he said. “We need to start thinking about what options exist to make sure we can provide a work force knowing full well the money we’d all like to have is not going to be there.”
Missouri has more than 170 colleges and universities, which includes two-year colleges and private schools. That's too many. MU Faculty Council Chairwoman Leona Rubin said, but trying to close one would be "political suicide" for lawmakers, she said.

State Rep. Chris Kelly, D-Columbia, agreed, calling the state's higher-education system "nutty." But nobody is going to propose closing any of them, he said.

Stein's letter, in part, was an effort to get public colleges and universities to start thinking together about solutions, Wagner said. "When we're talking about potential cuts of this size, there's a lot of value in some kind of coordination," he said. "For instance, everyone can't decide to cut their chemistry program. It's helpful for everyone to be aware of what others might be thinking about doing."

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Probation at MU med school ends

By Janese Heavin

Tuesday, January 26, 2010

The University of Missouri School of Medicine has been awarded three years of accreditation by the Accreditation Council for Graduate Medical Education, meaning the school is no longer on probation.

ACGME staff visited MU in October to review improvements and decided last week to lift the two-year probation.

Last year, the council put the administrative component of MU’s resident education program on probation because of concerns about a lack of administrative oversight of residents, policies and resident representation at meetings. The probation did not affect individual residency or fellowship programs, nor was it associated with undergraduate medical education, which is accredited through a separate agency.

Having the probation lifted is "a big load off of our shoulders," said Jack Gay, associate dean for graduate medical education.

The next ACGME accreditation site visit is scheduled for 2013.
MU School of Medicine probation lifted after nine months

By Christiana Nielson
January 26, 2010 | 5:08 p.m. CST

COLUMBIA — The MU School of Medicine is no longer on probation, after a visit on Jan. 15 by the Accreditation Council for Graduate Medical Education.

As a result, the school has received three more years of accreditation and the agency is scheduled to return in 2013 for the next visit, according to Jack Gay, associate dean for graduate medical education.

The administrative component of the School of Medicine was placed on a two-year probation in April 2009. This did not affect the accreditation of medical students' education, individual residency or medical fellowship programs, according to a release from Rich Gleba, spokesman for the School of Medicine.

Probation was instituted because of several concerns including policy language, resident representation at campus meetings, processes for reviewing and circulating internal reports and administration of residents' daily work, according to the release.

Although the probation period was supposed to last two years, the university worked to enact improvements early, and the school received accreditation in just nine months.

"We've focused on quality of residency programs and made positive changes," Gay said. "This is a big relief."

Although the probation period was to last two years, the university worked to enact improvements early. They requested that the accreditation agency return on Oct. 27, 2009, instead of the projected April 2011, to review progress. The agency notified the school yesterday that it had received accreditation in nine months.

Gay said in the release these changes are permanent.

Here are the changes MU made:
• Creation of a new MU Health System to improve administration and operation of resident education.
• Appointment of a new health system vice chancellor and medical school dean.
• Personal oversight of the resident education office by the medical school dean and the CEO of MU Hospitals and Clinics.
• More involvement by physician educators in educating residents through more graduate medical education resources.
• Responsibility of non-physician staff members to complete non-educational tasks.
Will companies go wild on campaign spending?
MU mention page 2

When it comes to spending big money on national elections, the rhetoric goes, corporations are about to walk through the swinging saloon doors of a new era in campaign finance with their checkbook holsters packed and ready for a Wild West-like shootout.

Can you imagine the cries of "Yee haw!" from the executive suites over at Disney, Darden or Harris Corp. as they lock and load funds straight from the corporate treasuries and prepare to fire with expensive television advertisements for or against candidates?

Hardly.

The U.S. Supreme Court ruling last week that opens the door for more direct spending by corporations in federal elections likely will be felt more like the sting of a BB than the merciless piercing of big ammunition.

Let's take a look at why:

What (didn't) happen in 2008. Back in 2007 the U.S. Supreme Court decided a case known as Federal Election Commission v. Wisconsin Right to Life Inc. That case overturned some of the McCain-Feingold campaign finance reforms and allowed corporations to run ads in the days and weeks before an election, as long as they didn't explicitly urge people to vote for or against a candidate, said Columbia Law School professor Nathaniel Persily. The ads could, however, say things like, "Call Congressman (fill in the blank) and tell him his policies are killing America."

That should have paved the way for corporations to let loose during President Barack Obama's race against John McCain in 2008, but they didn't. The idea that the "floodgates" are now open as a result of the court's decision last week in the Citizens United case (which allows ads to actually urge voting for or against a candidate) is exaggerated, Persily said.

"The truth is the floodgates were already pretty much open," he said. "That did not happen in 2008."

The ever-important brand image. None of the corporations I phoned this week to ask how the ruling may affect them wanted to talk about it. Either they didn't respond to my inquiry or gave
the old, reliable "no comment." That should be an indication that most companies don't want to be associated with big campaign spending. Why alienate potential customers? That doesn't mean they don't give. Anyone who takes the time to search one of a number of free online databases can find out how much Darden CEO Clarence Otis, for example, gave to Gov. Charlie Crist or Kendrick Meek's campaigns for U.S. Senate (he's hedging his bets with $2,400 to each man). But the kind of spending the new ruling allows means that a company could run ads (which must be done independently of the candidates) and they would be labeled as paid for by the company that bought them. My guess is most companies won't want that exposure, which is far more brazen than records buried in a database.

**Florida as a test case.** Here in Florida the laws already allow corporations to participate directly in state elections with independent ad buys and even go further than last week's court ruling because they allow companies to contribute directly to candidates. They are subject to the same $500 limit as individuals. Contributions to the parties are unlimited. Still, big spending by corporations via independent ad buys, also permitted in Florida, is not prevalent.

"I guarantee our elections are as rough as they come," said Tallahassee election law attorney John French. "If corporations aren't stepping out here, they won't in other states."

Jeff Milvo, an economist at the University of Missouri, has studied states with strict campaign finance laws and those with only minimal rules. For the most part, he said, there's little difference when it comes to the competitiveness of elections, voter turnout or — the reason these laws are in place to begin with — corruption.

"The lesson from the evidence that we have is that reforms in general tend to have little to no effect," he said. "For that reason, I'm skeptical that the decision last week was some sort of earthquake in American politics."

That is not to say that there won't be changes as a result from the ruling. And the potential for a big influx of money from unions and corporations is certainly there and happens to come at a time when some industries feel they are facing more regulation than ever by the federal government in the wake of the recession and bailouts.

But the idea that companies are going to come out with barrels blazing is full of holes.

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A University of Missouri Bookstore employee was arrested Friday on suspicion of using fraudulent merchandise returns to transfer thousands of dollars spent at the bookstore into his personal accounts.

The employee, Johnny Warnke, 34, of Columbia, was released Friday afternoon from the Boone County Jail after posting a $9,000 bond.

According to a probable cause statement by MU Police Officer Todd Henderson, Warnke had been printing off receipts for merchandise that had already been sold. He then conducted electronic returns of that merchandise and credited the money to his personal credit cards and bank accounts. University Bookstore employees showed Henderson two separate refunds done in this manner totaling $6,603 and $2,468, respectively.

According to Henderson's statement, Warnke was questioned at the police department and admitted the theft. Warnke was in possession of $6,610 in cash at the time of the interview. University Bookstore is investigating other discrepancies. MU police said there might be additional charges.

According to the probable cause statement, Warnke has convictions in Ohio for theft, burglary and theft by deception and served six months in jail for the offenses.
Blue Springs City Council backs bonds for retail site

MU MENTION ON PAGE 2

By BRIAN BURNES

Target has opened.

Kohl's is coming, as are Olive Garden and Books-A-Million.

Such names attract shoppers and revenue, a majority of Blue Springs City Council members believe. To that end they voted last week to authorize city staff members to prepare a $16.9 million bond issue.

The approximately $14.3 million generated would reimburse the developer for infrastructure improvements at Adams Dairy Landing, a new 65-acre open-air shopping center just south of Interstate 70 at Adams Dairy Parkway.

If the bonds receive final approval in the spring, it would be the second time Blue Springs has approved issuing such bonds to reimburse RED Development for infrastructure costs. Last summer the city issued bonds for $14.5 million, resulting in proceeds of $12.1 million for RED.

Although he didn’t vote on last week’s motion, which passed 4-2, Mayor Carson Ross said he was pleased with the result.

"We want to finish this project," Ross said. "You don't put a pie in the oven and bring it out half-baked."

Under the bond plan, the stores at the shopping center will generate sales and property tax revenue. Some of that money will be income for bond purchasers, who will expect a return on their investments at certain interest rates.

City officials, then, will hope that store sales meet expectations.

Council members Sheila Solon and Ron Fowler voted against the measure, saying they didn’t have the stomach for what they considered an unseemly amount of risk for the city.
“I am a very conservative person, especially on fiscal matters,” Solon said.

“I don’t believe in putting the burden on our citizens. It is not our responsibility to co-sign loans for a shopping center, which is what we are basically doing.”

Council member Sissy Reed, who voted in favor of the bonds, disagreed.

“For the life of me I cannot see us not letting this project be completed,” she said. “There’s nothing worse than a half-done shopping center.”

Planning for the Adams Dairy Landing project began with a different financing market in place, according to Assistant City Administrator Todd Pelham. But the recession and the credit crunch have removed the market for bonds considered “unrated,” he said.

“Now, without bonds that have a city’s backing, there is no way to get the financing in place to help the developer build the parking lots and finish other work.”

Ross said that while he campaigned for mayor in 2008, he routinely heard Blue Springs residents express frustration over having to leave the city limits to patronize favorite retailers.

A completed Adams Dairy Landing, with all expected tenants in place, would keep a significant amount of sales tax revenue from leaving the city.

“I want that sales tax right here, where we can provide better services for our citizens, rehabbing streets and providing public safety,” Ross said.

He conceded the measure included risk, putting the city on the hook if revenues generated at the center fall short of what is hoped for.

“I am comfortable with the level of risk,” Ross said. “There’s a risk if you walk outside your house. If you are waiting for everything to be totally safe, you might as well just go ahead and die.”

Ross added that he has several other initiatives for Blue Springs that he wants to see come to fruition, such as the Missouri Innovation Park. The 500-acre science and technology center, near Interstate 70 and Adams Dairy Parkway, would be a collaboration with the University of Missouri as the anchor research tenant.

“If we send a signal that we are naysayers, that feeds into other areas,” he said.

City staff members prepared three options for council members to consider.

• Delay the bond issue until market conditions improve for unrated bonds. But the risk of waiting, according to staff reports, included the possibility that the developer would be unable to make site improvements.
Signed tenants then could delay their openings.

• Back about $10 million in bonds to fund a limited set of upgrades.

• Issue the $16.9 million in bonds.

Dan Lowe, representing RED Development, told council members that the $16.9 million option would put the developer “in the best position to complete the entire project without having to come back before the council one more time.”

RED ran into similar difficulties with a retail development in Lee’s Summit.

In 2009 Lee’s Summit City Council members, by a 5-4 vote, approved a loan close to $9 million for RED’s Summit Fair shopping center project.

RED originally had wanted the city to back a $12 million partial bond issuance.
Mizzou Warns that SSN Show on Some Student Mailings

By: Tom Uhlenbrock
St. Louis Post-Dispatch

The University of Missouri at Columbia has notified students that a recent mailing inadvertently may have revealed Social Security Numbers through the envelope window.

Natalie Krawitz, vice president for finance and administration, e-mailed students saying that the university sent out Internal Revenue Service 1098-T forms the work week that began Jan. 11. By mid-week, it learned that the SSN on the form "was partially or fully viewable through the envelope window."

Krawitz said she didn’t know how many of the mailings had the problem, or to whom the revealing envelopes were mailed.

Thus all students were being asked to determine if the number was viewable "by visually inspecting how your form aligns with the envelope window." This can be done, the school said, even if the envelope already had been opened.

If the number was viewable, and students are concerned about possible identity theft, Krawitz said they should contact a national credit agency. The university gave contact numbers for three agencies, including Experian, which has an agreement with the school to provide credit monitoring services at a discounted price.

The school said it was reviewing processes used by the company that was hired to handle the tax forms to prevent future problems.

"The security of our students' personal information is a top priority for us, and we deeply regret that this occurred," Krawitz said.
COLUMBIA MISSOURIAN

Stephens College to share MU Student Recreation Complex

By Manasa Vedula
January 26, 2010 | 4:09 p.m. CST

COLUMBIA — It looks as though the MU Student Recreation Complex will be getting just a little more crowded. Stephens College students, faculty and staff are now allowed access to the MU rec complex as well, said Sara Fernández Cendón, spokeswoman for Stephens College.

Stephens College president Dianne Lynch proposed the idea of sharing the facility last semester. After a few months of settling the details, the partnership is now in action.

Stephens faculty, staff and students can opt-in for membership to the MU rec complex. Full-time Stephens College students can join for $137 per semester. Faculty and Staff can opt for MU rec complex access under three options, according to an email from Sarah Berghorn, communications coordinator for Stephens College.

The three options are:

- **Option 1:** $33 per month or a single payment of $396 for annual/academic year membership.

- **Option 2:** $43 per month for a month-by-month membership (with a two-month minimum).

- **Option 3:** $24 per month (or $288 single payment) for a Tiger Express Membership that allows for limited hours of access.

Once signed up for access, all that is necessary is a Stephens College ID to swipe in at one of the entrance desks.