UM spending shift frees general funds

By Janese Heavin

Wednesday, March 31, 2010

The University of Missouri System is restructuring the way some fundraising activities are paid for, freeing up millions of dollars in the general operating budget while still providing funding to development offices.

Starting July 1, an additional 1 percent of endowment investments will be dedicated to development offices.

An endowment is a fund created with a donation that allows the university to use a portion of the income earned on the principal amount each year for whatever purposes the donor specifies.

Right now, the system uses a formula to distribute those dollars for annual expenses such as scholarships and professorships. That formula won’t change under the new policy.

What the additional 1 percent will do is shift some of the expenses associated with fundraising activities from the general fund to private donations.

“We were looking for ways to release general operating dollars from development to instructional purposes,” said Nikki Krawitz, vice president of finance and administration. “This allows us to do that without short-changing the need to do fundraising.”

The change also provides a stable revenue stream to development offices. That’s especially critical now, when the university has to rely on private dollars to fill state funding gaps, said Beth Hammock, spokeswoman for MU’s development office.

MU spends roughly $17 million on fundraising activities. The additional 1 percent from endowments means private money will fund roughly $5 million of those costs in the coming fiscal year.

Existing donors had until today to opt out of dedicating 1 percent to development offices. As of yesterday, 132 out of 1,171 MU endowment donors had done so, Hammock said.

“We are pleased that the vast majority of donors” notified of the change “seem to agree with the assessment of the fee,” she said. “The funds the university will receive from those who agree to the assessment will ensure MU has the ability to secure more private gifts in the years ahead.”
Also starting July 1, all new donations to MU, including endowments, will be pooled in a short-term investment fund, allowing interest earnings from that fund to go to development offices as well. For one-time donations, 100 percent of the gift will be directed to donor-specified purposes after nine months.

How much money that investment pool will generate for fundraising will depend on the amount donated to the university.

Reach Janese Heavin at 573-815-1705 or e-mail jheavin@columbiatribune.com.
Wilson recalled for mentorship

Former mayor, MU professor dies at 83.

By Janene Heavin

Just a day before he died, former Columbia mayor Clyde Wilson was doling out campaign advice.

His physical health had been waning for weeks, but “he was mentally as sharp as ever,” Third Ward Councilman Karl Skala said. “He loved to talk politics. Even on Monday, I asked his advice about campaign information. He gave it, and I intend to take it.”

Wilson died Tuesday morning at age 83. Friends remember him not only for his four terms as Sixth Ward councilman and two years as mayor but also as a mentor and neighborhood organizer.

“He was involved in neighborhood work long before I was,” said Linda Rootes, president of the North Central Columbia Neighborhood Association. “He was always so kind and supportive and such a good mentor to me during any time we were together. I really admired his lifelong dedication to empowering people in neighborhoods to create their own future.”

Wilson, who served as Skala’s campaign treasurer until his death, was known for his liberal views but also his ability to work with anyone.

“I suspect he predated Darwin Hindman in terms of setting the stage for parks and trails,” Skala said. “I also suspect he was one of the great compromisers.”

Former funeral home director Harold Warren, who served on the city council with Wilson in the 1970s, described Wilson as a dedicated public servant concerned about all residents, not just certain segments of the population.

“I really enjoyed working with him because he always had the interest of the city at heart,” former City Manager Ray Beck said. “He was very supportive of good programs for the city and provided a good balance on the council.”

After serving on the council throughout the 1970s, Wilson was elected in 1979 to a two-year term as mayor.

Although some best remember Wilson’s role in city politics, he also was instrumental on the University of Missouri campus. He joined the faculty in the early 1960s and received a federal
grant that made anthropology a stand-alone department. He served as the first chair and was still chair when Michael O’Brien joined the department in 1980.

“Boy, he sure made my life easier,” said O’Brien, now the dean of MU’s College of Arts and Sciences. “He took me under his wing.”

Politics diverted some of his attention away from campus during the 1970s, but O’Brien said Wilson returned to research in the 1980s. In the early 1990s, Wilson re-analyzed a study conducted 20 years before that had concluded women who live together have synchronized menstrual cycles. His research disproved that experiment, and he published four papers that “destroyed the whole idea,” O’Brien said. “It made a huge splash.”

Wilson retired as full professor in 1997 and a year later was awarded the MU Peace Studies Professor of the Year Award. He also was an associate curator within the MU Museum of Anthropology, focusing on the protection of Native American graves.

“In terms of the department, he was the fairest person in the world,” O’Brien said. “He knew what he wanted, but he was a democratic person. Everybody had his or her say. Clyde was skilled at running things.”

According to Wilson’s obituary, he is survived by his wife of 52 years, Betty Wilson; five children; a brother; and 11 grandchildren.

A memorial service is planned for 4 p.m. April 11 at the Missouri Theatre.

Reach Janese Heavin at 573-815-1705 or e-mail jheavin@columbiatribune.com.
KANSAS CITY, Mo. - Farmers hope to plant a record crop of soybeans and another huge corn crop this spring, helping fill grain bins around the country and easing fears of global food shortages, according to a report released Wednesday.

The report by the Department of Agriculture of estimated crop acreage caused steep drops in soybean and corn prices as analysts reacted to forecasts that reserves of the crops would increase this fall.

That means supplies won't be so low in the global food market, where unprecedented demand from the biofuels and meat industries had drained reserves to dangerous levels in recent years.

"It means we're not going to be in as tight of a situation as we thought we would be," said Pat Westoff, co-director of the Food and Agricultural Policy Research Institute at the University of Missouri.

Although prices for corn and soybeans are far below record levels seen in 2008, farmers like Tim Burrack said the crops still should be profitable due to lower costs for fertilizer and fuel.

Burrack, who farms in northeastern Iowa, has begun preparing his 2,000 acres for the spring planting. He plans to boost his corn acreage by at least 160 acres this year, and he knew other farmers would do the same even though prices probably would fall this summer because of increased production.

"It looks to me like we're in a new parameter now for corn and soybean prices," he said. "They'll be lower than they have been."

Kevin Roth, a farmer in southwest Iowa, said he and his neighbors also plan to grow more corn. He'll devote about two-thirds of his property to corn and the rest to soybeans.

He could only shrug at news that decisions by farmers to grow more corn would cause prices to drop.

"It looks a lot better when the markets are going up," Roth said. "Today, they're not heading in the right direction."
Crop futures fell Wednesday on the Chicago Board of Trade, with corn dropping 9.5 cents to $3.45 a bushel. Soybeans fell 33 cents to $9.41 a bushel and wheat fell 21 cents to $4.50 a bushel.

Prices dropped because the expected reserve stocks of grain were so surprisingly high, according to Westoff and other analysts. The new estimates show the U.S. will carry over about 15 percent of the corn crop grown this year, Westoff said, compared to 12 percent in the 2006 and 2007 crop year. The soybean reserve will jump to 6 percent of the crop used, compared to just 4.5 percent last year.

Reserves will be bolstered by this year's huge crop. Farmers plan to plant a record 78.1 million acres of soybeans in 2010, and 88.8 million acres of corn, a near record. The wheat crop is estimated at 53.8 million acres, down 9 percent from last year. The cotton crop is forecast to rise 15 percent to 10.5 million acres.

Soybean and corn reserves had dropped to historically low levels during the past two years due to rising demand from overseas markets and the U.S. ethanol industry. But with the global recession draining demand from the grain market, farmers are again poised to grow a crop big enough to cause surpluses to grow.

Corn stocks are expected to total 7.69 billion bushels in March, up 11 percent from last year. Soybeans stocks will fall 2 percent to 1.27 billion bushels, but that figure is about 60 million bushels higher than the market had expected.

If the extra buffer helps push crop prices down, it could help consumers by restraining food prices, said Bill Lapp, a commodity analyst and president of Advanced Economic Solutions in Omaha, Neb. But the gain won't be immediate. Raw ingredient prices make up just a fraction of the cost of food at the grocery store, so lower crop prices don't translate into quick savings for shoppers.

The savings will be felt more quickly by meat producers that buy huge quantities of corn and soybeans for animal feed, Lapp said. That could eventually hold down the price of beef and pork.

Copyright 2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.
We must make college more affordable

NO MENTION

By KAREN STABINER

It’s admissions notification season at colleges and universities nationwide, so let’s congratulate the big winners.

Families who face payments of $50,000 a year over the next four years, for a bachelor’s degree from a prestigious private university.

Investing in the future, indeed. Parents get the chance to spend the price of a vacation home on an undergraduate degree, and seniors embrace senioritis with a vengeance, convinced that they have leapt modern life’s only significant hurdle. Perhaps it’s no coincidence that so many schools send out their admissions notifications today, on April Fool’s Day. And these are the good-luck scenarios; I can’t bring myself to shine a light on families who are paying top dollar for what they always considered a last-resort school.

A quick disclaimer: I speak as a fellow traveler. Three years later, I still have a visceral memory of the moment the large envelope arrived from a favored school — and of the far different chill when I computed what a single, one-semester required science class was going to cost.

It’s an apparently recession-proof system. Despite pundits who forecast that the expensive and competitive logjam is about to break, schools seem to raise their rates annually and then await the stampede of eager customers.

We scrimp on cars, groceries, clothes. We convince ourselves that “less is more” is an aspiration and not a survival tactic. And then we go crazy, for a minimum of a year — scheming, waiting, dreading — all for the chance to spend buckets of cash on college.

What, exactly, do we think we’re buying?

If you tell me it’s a splendid psychology curriculum for your budding Freud, I bet you’re lying. Admissions has become a contact sport. The real thrill is having your kid get into that school, especially if somebody else’s kid didn’t.
If you say it’s ironclad security in a dwindling job market, here’s a wake-up call: By the time your child is a junior, like mine, all you’ll hear is, “In this economy, a bachelor’s is meaningless. They’ve got to go to graduate school.”

If you’re a cynic or a “Mad Men” fan, you might admit you’re building the family brand; the four-bedroom house, the six-burner stove, the eight-cylinder roadster and the Top 10 school.

The truth is, we’re sitting ducks, stalled at the intersection of two fundamental American beliefs: You get what you pay for, and if everybody else wants it, it must be worth having. Getting our kids into college feels precariously like buying a Hermes Birkin bag, the $5,000-and-up handbag that requires even famous people to sit on a wait-list for years.

You could replace “Birkin” with “Harvard,” “Yale” or “UC Berkeley” and see the feeding frenzy for what it is. And we haven’t even gotten around to discussing the emotional cost, the poor dented kids who feel like failures because they’re only in the top 5 percent of all the graduating seniors in the country.

One sadder but wiser undergraduate I know sees the smart move, in retrospect: Find a good school (you can safely dip below the Top 10 in the U.S. News & World Report rankings) where your odds are better than good, apply early, and take yourself out of the high-stakes roulette game.

This scenario seems only to lower the stress quotient, not the out-of-pocket expense, but pay attention: Often that good school has to try harder, and trying harder can mean the seductive allure of a merit scholarship. Tip the balance of desire — find a school that wants to distract you from the pie-in-the-sky schools — and the price might fall from astronomical to merely high. Or you might end up at a state or land-grant university that turns out to be a better fit for your child.

Backing off the status track is a start, but it’s no guarantee of either fiscal or psychic savings; that kind of reform requires collaboration with the institutional players.

Let’s have a lively debate about where both public and private institutions might trim the fat, so that the cost/benefit ratio no longer mimics that of a luxury handbag.

There must be a more global solution out there — a universal remedy for a process that defies both fiscal and psychological gravity — but I’ll have to leave that to the big thinkers whose kids are either too old or too young to be in college. As for me, I have to get back to work as long as those tuition bills keep coming.

Karen Stabiner’s comic novel about college admissions, “Getting In,” has just been published. She wrote this for the Los Angeles Times.