Senate restore higher-ed, K-12 funding

By Terry Ganey

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JEFFERSON CITY — The state Senate Wednesday evening restored some funding to the higher education budget, preserving a tuition-freeze agreement with public universities including the University of Missouri.

Gov. Jay Nixon and heads of public higher education institutions had agreed last fall to accept $50 million in budget cuts, 5 percent of the colleges' combined budgets, in return for promises that tuition would not be increased. But the Senate Appropriations Committee raised the amount of the cuts to nearly $65 million.

As the full Senate considered the package of funding bills on Wednesday, Chairman Robert Mayer, R-Dexter, said Nixon's office had come to him with a plan to come up with savings elsewhere in the budget to preserve the tuition freeze arrangement. Under the plan, managed care providers would forego an exemption from a premium tax, which Mayer said would produce the $14.7 million the committee had cut from the colleges' budgets.

The Senate adopted the revised higher education funding bill 29-5. Because the House had also funded public colleges at the same rate, the tuition freeze deal is apparently preserved.

The Senate also restored $37.4 million to the state's public schools budget, a move that fully funds a career ladder program for teachers who perform extra duties.

The move came as the Senate debated the state's $23 billion budget for the fiscal year that begins July 1. Since the House had included the career ladder funding in its version of the state's spending plan, the Senate's 28-6 vote appeared to lock in the funding for the program.

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Missouri Senate upholds in-state tuition freeze

By Ben Wieder
April 14, 2010 | 10:59 p.m. CDT

JEFFERSON CITY — The university tuition freeze is on.

The Senate voted to go along with the House on the in-state tuition freeze plan reached between Gov. Jay Nixon and Missouri's public colleges.

"It's a done deal," said Kurt Schaefer, R-Columbia.

Under the terms of the deal reached in November, Missouri's public colleges agreed to freeze in-state undergraduate tuition next year in exchange for preserving roughly 95 percent of the state funds appropriated for the current budget year.

Because the House had approved identical figures for the state's public universities, the higher education budget is virtually completed.

The final version of the budget will be negotiated by a House-Senate conference committee.

The governor's deal had been jeopardized when the Senate Appropriations Committee voted last week to make a nearly $15 million cut beyond the original terms of the deal as part of its effort to cut $500 million from next year's budget.

But when the Senate began debate on the bill, the committee's chairman proposed an amendment to go back to the House-passed plan.

The vote came one day before the University of Missouri System Board of Curators will meet to set tuition for next year.
Senate Appropriations Committee Chairman Rob Mayer, R-Dexter, said the money for higher education would come from imposing an insurance premium tax on managed care providers in Missouri, which Schaefer said would in turn yield matching funds from the federal government.

Schaefer confirmed that the state could keep the matching federal funds and refund the collected tax to managed care providers, as has been done previously with some Medicaid-provider taxes.

Mayer said this plan could yield the state as much as $20 million.

Schaefer was critical of Nixon and public college officials for not including legislators in their negotiation of the plan last year.

"We need to send a message to those institutions ... that next time you cut a deal, you've got to include everybody," he said.

The budget for fiscal year 2012 could have a nearly $1 billion budget hole when federal stabilization funds expire, and Schaefer said he's encouraging higher education leaders to start working with lawmakers as soon as possible to begin planning for the next budget.

"Let's start the dialogue now," he said.

Sen. Tim Green, D-St. Louis County, voted to support the bill but said he was against restoring the funding for higher education.

"It wasn't our deal," he said.

He said he was disappointed that these cuts were being restored rather than almost $20 million in cuts to the Department of Mental Health.

"It's just not fair sometimes," Green said. "I get tired of the hypocrisy of saying we're going to help those who can't help themselves."

The Senate also voted earlier to restore funding to the Career Ladder program, which pays teachers for some academic activities and career development above and beyond the traditional scope of teaching.
The Senate voted to fund the program using more than $37 million out of $300 million in anticipated federal stabilization money that the state has not yet received.

Because the House voted to use state funds for the program, the source of funding will be determined in conference between the House and Senate following the Senate's passage of the rest of the budget.

Mayer said he ultimately hopes to pay for the program with state money.

He said he changed his mind on cutting the program because he learned that teachers had already completed part of their Career Ladder activities before former Senate Appropriations Chairman Gary Nodler, R-Joplin, and House Budget Chairman Allen Icet, R-Wildwood, sent a letter this past summer to educational leaders warning that funding for the program could be in danger.

"I believe that they should be paid for the work that they expended," Mayer said.

On Tuesday, the Senate voted to suspend state funding for the Career Ladder program for the following year and potentially resume state support in two years under a different funding mechanism. This method would inform schools of available Career Ladder funding for the following year rather than paying schools and teachers for work done in the previous year.
Costs may spike for some at MU

Out-of-state, grad students targeted.

By Jolene Houlihan

Wednesday, April 14, 2010

Graduate and out-of-state students planning to attend the University of Missouri next school year might want to set aside a little extra money for college.

UM System administrators are recommending the Board of Curators increase nonresident and graduate tuition. Curators will meet tomorrow and Friday at the Missouri University of Science and Technology in Rolla.

The system is proposing a 5 percent increase for out-of-state students at MU, which bumps the total to $646.10 per credit hour, about $30 more than students paid this year. That increase translates into an extra $3.4 million in revenue for MU, with $800,000 of that automatically earmarked for student scholarships, spokeswoman Mary Jo Banken said.

Administrators are recommending graduate-level tuition increase by the consumer price index of 2.7 percent.

In-state undergraduate tuition is expected to remain flat next school year in exchange for a deal with Gov. Jay Nixon that the state not cut more than 5.2 percent from the higher-education budget. If lawmakers don't adhere to that deal in the final version of the budget, curators could come back and increase in-state tuition by the consumer price index.

Some undergraduates will be paying a little more to attend classes, though. In about a dozen disciplines, course fees are expected to increase slightly, in many cases by about $1. Engineering course fees are expected to increase 10.1 percent, from $54.50 per credit hour to $60 per credit hour. The change reflects the higher cost of providing programs, according to the system. Those course fee increases do not fall under the tuition freeze agreement because they are not assessed to all students, said Nikki Krawitz, UM vice president of finances.

Graduate students could be hit hardest when it comes to course fee increases. Administrators are recommending curators approve the following increases:

- Out-of-state graduate students wanting to attend MU's School of Veterinary Medicine would have to pay an additional $10,000 a year under system recommendations. Administrators contend the total nonresident tuition of $43,496 a year is not excessive compared with the
school's peers, especially because nonresident students here typically gain residency before their second year, qualifying for less expensive in-state tuition.

Plus, administrators say, there are plenty of out-of-state applicants willing to pay that amount.

Leona Rubin, an associate professor of veterinary biomedical sciences and chairwoman of MU's Faculty Council, said the college typically gets about 500 out-of-state applications to fill between 30 and 40 slots.

"It's sad we have to do this, but we probably have an adequate application pool," Rubin said.

The vet school would be allowed to retain 80 percent of the additional proceeds, which translates to $352,000, money that would be used to hire more faculty and invest in technology.

- At the Trulaske College of Business, course fees are expected to spike by nearly 117 percent, from $34.60 a credit hour to $75 per credit hour. The change will allow the school to hire additional faculty members, addressing student concerns about large class sizes, according to system documents.

- Law school students pursuing a master of laws in dispute resolution face a 19 percent increase, and those seeking a juris doctorate would see a 5 percent increase.

Administrators also are recommending curators approve new supplemental fees, including a new laboratory and resource fee of $1,080 a year at MU's School of Medicine, assessed during the first two years of school. That increase is expected to generate $415,000 in revenue a year. Undergraduate nursing students also would have to pay an extra $60 per credit hour, for $680,400 in new revenue.

Even with more money coming into the university, faculty members should not expect salary increases next budget year. Administrators are recommending curators prohibit campuses from giving merit-based raises even if resources are available. Instead, curators are being asked to establish a 1 percent contingency salary pool to cover raises for faculty promotions, the awarding of tenure and academic progressions such as going from an assistant to an associate professor. That is the same salary arrangement the university implemented this year.

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Out-of-state students face 5 percent MU tuition hike

The Associated Press • April 15, 2010

Columbia -- Out-of-state and graduate students could be paying more to attend the University of Missouri’s four campuses this fall.

School officials are recommending a 5 percent tuition increase for nonresident undergraduates at the Columbia campus and a 2.7 percent increase in graduate school tuition for all students.

The Columbia Daily Tribune reports that undergraduate tuition for Missouri residents would stay flat, although state lawmakers will have the final say. University leaders and Gov. Jay Nixon negotiated for no tuition increases in exchange for $50 million in cuts, but legislators say they need to trim more.

Some graduate students could face even steeper fee increases. Out-of-state students in the School of Veterinary Medicine would have to pay an extra $10,000. And course fees in the Trulaske College of Business would more than double.

The Board of Curators for the university system will consider the proposals at a meeting today.

The 5 percent increase for out-of-state undergraduates would increase tuition by about $30 per credit hour and generate an additional $3.4 million. Of that, $800,000 would go toward student scholarships, a school spokeswoman said.

Among the other proposed fee hikes, law school students pursuing a master's degree in dispute resolution face a 19 percent increase. Those seeking a juris doctorate would see a 5 percent increase. And medical school students would pay a new annual laboratory/resource fee of $1,080.
Missouri Scholars Academy to continue this summer despite budget cuts

By Christiana Nielson
April 14, 2010 | 7:19 p.m. CDT

COLUMBIA — In 2000, Christopher Young was between his sophomore and junior years of high school when he came from the rural community of California, Mo., to MU to spend three weeks at the Missouri Scholars Academy, a summer program for academically gifted students.

Young is able to draw a direct line from the experiences he had there — studying education and journalism and interacting with a cross section of peers he otherwise wouldn't have met — to his job today. He works at the Reston, Va., international headquarters of DECA, an association of high school and college students studying marketing, management and entrepreneurship.

"As a (largely) state-funded program, it put everyone on an equal playing field ... because you are selected on the purity of academic performance," said Young, a 2006 MU graduate who majored in educational studies and minored in journalism.

This will be the first summer since 2002 that Young has not worked for MSA, but he has been following the program's funding frustrations from afar. The academy will continue for the 26th year this summer despite having almost two-thirds less state funding than it had in previous years.

For the first time, the traditionally free summer program is requiring that students pay a $500 activity fee to help compensate for budget cuts. Where payment was a problem, the academy has stepped in, co-director Ted Tarkow said.

"We've worked this year with private individuals and with philanthropic foundations so that where financial need is demonstrated ... MSA will be covering all or part of the..."
student activity fee," said Tarkow, associate dean in the College of Arts and Science at MU.

This year, the state is giving a combined $259,000 to the scholars academy at MU and to the fine arts academy held in Springfield. Last year, the academies received $750,000, said Jim Morris, public information director for the Missouri Department of Elementary and Secondary Education.

The program receives money from other sources, including MU.

Morris said MSA is secure for this year, but he does not know whether it will be held in future summers. The program, from June 13 to July 3, will host 330 scholars this summer as it has done in the past.

"Where we stand right now is that the (Missouri) House has adopted a recommended budget that has no funding for the academy or for the arts academy," Morris said.

Although the Senate budget committee has adopted the proposal for zero funding, the full Senate has not yet acted.

"There's a chance that funding could be restored in conference committee if there's action on the floor of the Senate debate to restore funding for the academies," Morris said.

However, if both House and Senate adopt the proposal, it would go into effect July 1. This means that the academies would not receive state funding beginning in 2011.

To be considered for admission, students must live in Missouri and be nominated by their public or private high school. They come from all over the state, from no-stoplight towns and major cities.

The aims of the scholars academy are to improve academic skills, increase knowledge of culture, develop understanding of students' abilities and enhance critical thinking and problem-solving skills.

For Young, coming from a high school of 500 students to the campus of a large, research-driven university had a lasting effect.
"It's open to anyone and fosters a diverse marketplace of ideas," Young said. "You build community in three weeks."
COLUMBIA MISSOURIAN

New Missouri research park finds home in Blue Springs

By The Associated Press
April 14, 2010 | 10:16 a.m. CDT

COLUMBIA — The University of Missouri has found a temporary home in Blue Springs for its nascent research park in the Kansas City area.

The university will lease space in an office building near Interstate 70 as it continues to develop a 500-acre biological sciences complex called the Missouri Innovation Park. The school has a preliminary agreement with Blue Springs officials to build the research park.

Similar research sites are in place at or near the university’s Columbia and St. Louis campuses. And construction has started on a Rolla Innovation Park at the Missouri University of Science and Technology.
Secretive Job-Smashers Or Worker-Friendly Value-Adders?

By Josh Beckerman

AFL-CIO President Richard L. Trumka chronicles some of the buyout industry’s great misses in a Wall Street Journal column. He mentions Brynwood Partners’ shutdown of the Stella D’Oro plant in the Bronx, the ongoing dispute at Permira-backed Hugo Boss, big-name bankruptcies like Linens ‘n Things and the oft-chronicled frequent flipping and dividend recaps at Simmons Bedding. He also puts private equity in quotes, suggesting it’s a euphemism for something unsavory. He says the Senate should challenge PE’s “wealth extraction business model in order to rein in the casino economy.”

The Private Equity Council disagrees.

The trade group argues that private equity creates jobs and helps workers. It mentions some studies that found favorable employment trends at PE-backed companies. It notes that a University of Missouri study of 288 companies found that employment grew by an average of more than 13% per year during PE ownership, and that there was a correlation between employment growth and equity returns. Also cited is an Ernst & Young study of companies exited in 2007 – businesses had 5% employment growth during their PE backing, compared with 2% for similar public companies.

Then there’s the question - poorly answered by either side as of yet - of whether or not private equity-backed companies are more likely to go out of business. Trumka says that of 163 nonfinancial companies that went bankrupt last year, nearly half were backed by leveraged buyout firms. But the PE Council cites its own study of over 3,200 PE-backed companies acquired between 2000 and 2009, and held through 2008-2009, which showed that default rates during the 2008-2009 recession were 2.8%, compared with 6.2% for similar companies. The PE Council said its “findings are consistent with a variety of independent research studies conducted in the past few years,” including one by the Bank for International Settlements and one by Steven N. Kaplan of the University of Chicago and Per Strömberg of the Stockholm School of Economics, although it notes that they are “at odds” with Moody’s Investors Service and Standard & Poor’s Ratings Services reports.

Bringing up another Common Complaint About Private Equity, Trumka says the industry is “shrouded in secrecy.” Assuredly, some of the industry’s titans aren’t exactly loquacious, and PE-owned companies often don’t have to make the same kind of public disclosures as those that trade on public markets do. But the PE Council has a response of sorts here, too, noting that firms “make extensive disclosures to their investors,” that many big firms are subject to SEC.
oversight, and that companies with publicly traded debt continue to file public reports with the SEC. It also says it has endorsed SEC registration of “all large private investment firms,” regardless of whether or not it applauded when that legislation got watered down.

So...adding value and creating jobs, or just a bunch of vultures? The debate continues. Perhaps this is a job for the McLaughlin Group – they may not solve the problem but a Pat Buchanan/Eleanor Clift shouting match on dividend recaps would at least provide a break from reading reports.
COLUMBIA MISSOURIAN

STRIPES tests new GPS tracking capabilities

By Ryan Martin
April 15, 2010 | 12:01 a.m. CDT

COLUMBIA — STRIPES, a student volunteer organization, is testing a new GPS tracking system that, according to spokesman Andrew Worrall, will help the organization run more efficiently.

STRIPES provides free rides to MU students on Thursday, Friday and Saturday evenings. The drivers are supplied with cell phones before they pick up riders, and with the Comet Tracker, the new system, the dispatcher can track each STRIPES car through the driver’s cell phone.

Worrall said they had been looking into adding this system for about a year and called it a "big step" for the organization.

"From a risk-management point of view ... it's a necessity," he said, citing increased safety and accountability for the drivers and patrons.

STRIPES is currently negotiating the cost of the GPS tracking system with Sprint, the organization's cell phone provider. Worrall said they're testing the system for 30 days and will decide in May if the organization will permanently add the feature.