Auditor Susan Montee criticizes Missouri's higher ed coordination

JEFFERSON CITY -- She isn't the first, and won't be the last, but state Auditor Susan Montee added her voice today to those criticizing Missouri's system of higher education governance.

"The approach we have right now doesn't work. Something has to be changed," said Montee, after presenting two audits related to higher education. "If we have everything very fragmented and all of the schools working against each other, we are doomed to fail."

Montee issued two audits today that carried a similar theme: politics is limiting the efficiency of higher education decisions. One audit was on the Lewis and Clark Discovery Initiative, the university building plan pushed by former Gov. Matt Blunt. The initiative used money from the Missouri Higher Education Loan Authority to fund about $350 million in capital projects on campuses across the state.

But MOHELA ran short of funding, and Gov. Jay Nixon -- who had opposed the plan -- suspended some of the projects by holding back funding.

Montee's audit questioned how some of the decisions were made to fund capital projects that weren't on university's priority lists, or the statewide building priority list kept by the Coordinating Board for Higher Education.

The second audit examined the coordinating board and found that there is little coordination among higher education institutions. For instance, she found that most of the state's universities spend money on outside lobbying firms, and those universities fight among themselves for the limited state funding.

"We have allowed political influence to play too high a role in this," Montee said.

Her audit found that the University of Missouri, which has lobbyists on staff, spent more than $900,000 on outside lobbying contracts last year.
Under Missouri's system, the universities submit budget requests, and capital expenditure priorities to the coordinating board, which then decides on state priorities among all the submissions. But lawmakers frequently overrule the board.

"They have no teeth," Montee said of the board. "They are making recommendations but they aren't binding."

The Legislature this year debated making changes to the higher ed system, and considered combining the Department of Higher Education with the Department of Elementary and Secondary Education. Nixon and Sen. Charlie Shields, R-St. Joseph, pushed the proposal.

The Senate passed a version of the bill but it died in the House, never making it out of committee.
State auditor’s report flags concerns over plans for MOHELA funds

By Janese Silvey

Wednesday, July 28, 2010

The state auditor’s office today was set to release a report criticizing management of the Lewis and Clark Discovery Initiative, a plan to use Missouri Higher Education Loan Authority assets to fund capital improvement projects on college campuses.

More than $107 million in university building projects remained unfunded as of June 2009, the end of the two-year audit period. Of that pool, more than $73.8 million were University of Missouri System projects.

The Tribune reviewed an advance copy of the report, expected to be made public during a news conference in Auditor Susan Montee’s office late this morning.

The Lewis and Clark initiative, unveiled by former Gov. Matt Blunt in 2006, aimed to transfer $350 million to the initiative from MOHELA over a six-year period. MOHELA made an initial $230 million transfer in 2007 and a few partial payments over the next two years.

As of June 2009, MOHELA was behind in payments by $21 million, the audit says.

The report criticizes the Office of Administration for not telling universities about the potential shortfall and continuing to reimburse institutions for projects using limited funds in the discovery initiative coffers. But the Office of Administration had no indication from MOHELA that payments would not be made on schedule, the office responded in the report.

Auditors also flagged Lewis and Clark funding allocated to the Missouri Technology Corp., a not-for-profit corporation established in 1994 to promote science and technology. Much of the audit report is an exchange between auditors and the corporation as to whether MTC appropriately used its $15 million.

Montee also was expected today to discuss an audit of the Missouri Department of Higher Education. That audit includes recommendations that the department pursue a legislative change that would grant the Coordinating Board for Higher Education the authority to change or eliminate degree programs at colleges and universities.

Reach Janese Silvey at 573-815-1705 or e-mail jsilvey@columbiatribune.com.
JEFFERSON CITY — The Missouri Department of Higher Education should have been more involved in picking projects for a college construction program and additional coordination is needed among colleges, according to reviews released Wednesday by the state auditor's office.

Auditor Susan Montee urged elected state officials to work closely with the Department of Higher Education to determine what future construction projects would most help Missouri's colleges. She also said there needs to be more unity among colleges over funding and recommended giving more power to the State Coordinating Board of Higher Education, such as allowing it to enforce changes to degree programs.

"We have allowed political influence to come in and play way too high a figure," Montee said during a news conference.

Department of Higher Education spokeswoman Kathy Love said the coordinating board already can recommend duplicative programs that could be eliminated. She said the department thinks schools should at least be allowed to appeal decisions about cutting programs before the decision is final.

The audits focused on coordination within the Department of Higher Education and a 2007 college construction plan.

As examples of dislocation within higher education, Montee pointed to several schools that spend more than $100,000 each to lobby the legislature, and the method used to pick which building projects were included in the 2007 construction plan.
The review found that three priority construction projects for the Higher Education Department were not included in the construction plan, but it did include 16 that were not considered a priority by the school or department.

The college construction plan called for the Missouri Higher Education Loan Authority to sell assets and transfer $350 million over six years to the state. Of that, $305 million was to go for construction at four-year colleges and universities, $30 million was for community colleges, and $15 million was for the Missouri Technology Corporation to attract high-tech companies.

MOHELA made an initial $230 million payment in September 2007, but it has delayed several payments since then because of the credit crunch and changes in federal laws.

Gov. Jay Nixon, who as attorney general opposed the idea of tapping the student loan provider's assets, in 2009 suspended about a dozen projects because of funding shortages.

In a written response to the audit, the state Office of Administration said the process for selecting the campus construction projects followed Missouri's standard procedure for deciding what higher education building and repair projects to complete. Lawmakers approved a budget and consulted with the Department of Higher Education, lobbyists, constituents and others for information.

The Office of Administration, which is led by a gubernatorial appointee, said it did not have reason to think funding from the state loan authority would fall short. After payments slowed, the office said Nixon consulted the Department of Higher Education about what projects to delay but that the governor ultimately is responsible for the decision.

A spokeswoman for the Office of Administration declined further comment.

Montee's audit also questioned an administrative fee levied by the Missouri Technology Corp. that has diverted some of the money it received through the 2007 plan.

The quasi-state entity questioned the auditor's procedures. The Missouri Technology Corporation also said the fund is a necessary accounting reserve and that the reserve level was set after a discussion with a national organization for nonprofits specializing in economic development.
COLUMBIA MISSOURIAN

MOHELA grants $30 million in scholarships to offset Access Missouri cuts

By Naomi Stevens
July 28, 2010 | 5:50 p.m. CDT

COLUMBIA — The state's largest need-based scholarship program now has an additional $30 million to distribute to colleges and universities in Missouri.

The Missouri Higher Education Loan Authority, or MOHELA, pledged $30 million in scholarship money to the state in June, but the decision to allocate the funds through the Access Missouri program was announced last week. This money helps offset the $50 million cut from the Access Missouri program when Gov. Jay Nixon signed the new budget in June.

The money is planned to be distributed through Access Missouri to make the process simple for students. The $30 million only applies to the 2010-11 academic year.

"There is no guarantee, or no expectation, I should say, that this will happen again, that MOHELA will have the funds to do this again," Leroy Wade, Missouri Department of Higher Education assistant commissioner for financial assistance said. "So it is a one-time event in that sense."

Although MOHELA's pledge brings Access Missouri's need-based scholarship fund to a total of $60 million, an increase in needy students and the overall reduction in funds means the size of the scholarships given out could be smaller than what's mandated by a 2007 state law.

More than 102,000 students qualify for Access Missouri scholarships this academic year, compared to 86,000 eligible students in 2009-10, according to a release from the Missouri Department of Higher Education. The Missouri Department of Higher Education plans to re-evaluate award levels before the fall semester begins and again in December. Award levels could be adjusted at either point to remain on budget, the news release said.

Before Access Missouri provided more exact amounts of available funds, MU's financial aid department had to make rougher estimates of award levels. While
the numbers could still change, the announcement of the new funds allowed university officials to have a clearer picture of what students could receive.

At MU, all aid awards are currently estimated at $950 — a change that affects students differently.

“Returning students (at MU) will be getting about $450 more than we had originally assumed,” Christian Basi, associate director for the MU News Bureau, said.

However, Access Missouri’s aid for MU freshmen is now $380 less than the average of $1,330 originally estimated.

Students with questions regarding their financial aid should contact the financial aid department directly, Basi said. The office's number is 882-7506.
MU spirit is goal of name change

Avenue may be dubbed ‘Tiger.’

By Janese Silvey

Wednesday, July 28, 2010

The proposed new name was supposed to be a secret: Administrators were hoping to unveil it either during an alumni event or Homecoming in the fall.

“We’re trying to keep it a surprise as long as possible,” MU spokesman Christian Basi said. “We’ll be unveiling the name at the appropriate time.”

But changing the name of a city street doesn’t work that way.

There are two processes to get a street name changed, said Tim Teddy, director of the city’s Planning and Zoning Department. If all property owners along the street are OK with the new name, the proposal goes straight to the Columbia City Council, where it would be vetted in an open meeting. But a couple of landowners along Maryland Avenue did not sign off on the change, Teddy said, so the proposal must first go to the Planning and Zoning Commission for a public hearing. Changing Maryland Avenue to Tiger Avenue is on the commission’s Aug. 5 agenda, he said. It then will go to the city council for a first reading Aug. 16 and back to the council for a vote Sept. 7.

The name change is something the Mizzou Alumni Association has talked about for years, Executive Director Todd McCubbin said.

“Numerous folks on the governing board over the years have asked why Maryland Avenue is named after Maryland,” he said. “Maryland is one of the main streets utilized by parents and visitors who come to campus. It’s one of the first streets folks encounter when they come on campus, and it also, obviously, connects Stadium down to the center of campus.”

Maryland is among a few state-themed street names around campus, including Kentucky Boulevard and Virginia Avenue. There’s little evidence the name has any more historical significance than that.

A Tribune item published in 1904 shows that a group led by MU Professor Frederick Hanley Seares, who lived on the street, successfully petitioned the council to rename a portion of South Seventh Street between Conley Avenue and Rollins Street as “Maryland Place.” There’s no
indication Seares had a connection to Maryland, according to information provided by Doug Crews, an alumnus who had the State Historical Society of Missouri research the origins of the name a couple of years ago. The historical society also noted that Maryland Place became both Maryland Place and Maryland Street on a 1917 map, becoming Maryland Avenue in 1928.

Basi said the name change, if approved, would be phased in, and the street sign would bear both names for about a year. Campus maps would be updated to reflect the change as new maps are ordered. He compared the phase-in process to the way the University of Missouri name changed several years ago when the Columbia designation was dropped.

Basi said he expects the Maryland Avenue Parking Garage would also eventually be renamed, too, if the change is approved.

Renaming Maryland to Tiger Avenue would result in two streets in Columbia named for MU's mascot. Tiger Lane extends from West Worley Street to Bernadette Drive.

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Brothers plead guilty in spam conspiracy

BY THE TRIBUNE'S STAFF

Published July 28, 2010 at 5:28 p.m.

Two University of Missouri alumni pleaded guilty today in federal court in a scheme to send spam e-mails.

Amir Shah, 29, of St. Louis and Osmaan Shah, 26, of Columbia pleaded guilty in Missouri Western District Court to charges in a 2009 federal indictment. Their business, i2o Inc., was also a defendant.

The suspects were taken into federal custody in April 2009. Two months later, the Shah brothers pleaded not guilty.

The Shahs admitted that they and their co-conspirators created a spam e-mail scheme that targeted college students across the United States. They developed programs to extract and illegally harvest student e-mail addresses from hundreds of colleges and universities, including MU, according to a news release from Beth Phillips, U.S. Attorney for the Western District of Missouri. They then allegedly used those e-mails to send spam and sell products and services.

The Shahs also admitted that they initiated their spam campaigns by using the bandwidth provided by MU’s computer network, causing damage to the network and its users.

Co-defendant Paul Zucker, 57, of Wayne, N.J., pleaded guilty July 13 to his role in the conspiracy. In his plea agreement, Zucker said he provided the Shah brothers with proxies and an e-mail program designed to send spam messages.

In addition to the conspiracy charges, the Shahs and i2o also pleaded guilty to one count of aiding and abetting each other to access a protected computer without authorization and transmit commercial e-mails with the intent to deceive the recipients about their origin.

With their guilty pleas, the Shahs and i2o agreed to forfeit to the government $78,980, properties in St. Louis and Columbia valued at $344,250, two cars and several Internet domain names.

The Shahs are each subject to a sentence of up to eight years in federal prison without parole, plus an order of restitution. i2o is subject to a sentence of up to 10 years of probation, plus an order of restitution.
Zucker faces as many as five years in federal prison without parole and a fine of up to $250,000. Sentencing hearings will come after pre-sentence investigations by the U.S. Probation Office.

“Illegal spam campaigns create significant problems for computer networks,” Phillips said in the news release, “and those who seek to profit by spamming will be held accountable.”

MU officials last summer installed updated technology to prevent spamming.
Program aims to increase number of college grads in St. Louis area

BY MARK SCHLINKMANN mschlinkmann@post-dispatch.com 636-255-7203 | Posted: Thursday, July 29, 2010 12:05 am

July 28, 2010 - Josh Hefferman (center, left), a self-proclaimed 'super senior' and tour guide at the University of Missouri at Columbia, leads a tour of prospective students and parents Wednesday morning on the campus in Columbia, Mo. Hefferman has been a tour guide for two years, a highly competitive spot that draws around two hundred candidates for only a select number of guide positions. Hefferman says he feels sometimes like a salesman, but says it's easy to talk and sell prospective students on the benefits of the university. "It's a product you believe in." Erik M. Lunsford elunsford@post-dispatch.com

Backers of a program that aims to boost the number of St. Louis-area residents with two- and four-year college degrees are stepping up efforts to get volunteers and raise money.

"Our work force is tied directly to our ability to educate people," said organizer Ed Watkins at a news conference in St. Charles to promote the effort, called Graduate America Priority 1.

Also speaking were Wentzville Mayor Paul Lambi, who works with Watkins in a public relations firm, and Michael Holmes, who heads the St. Louis Agency on Training and Employment. Holmes said the city government hasn't been involved yet but supports the concept.
Among the elements, Watkins said, is a mentoring effort that began in January at St. Louis' Beaumont and Sumner high schools matching volunteer professionals with freshmen and sophomore students.

Each volunteer typically meets for lunch once a week during the school year with two participating students to counsel them on preparing for college, applying for scholarships and related matters.

The mentoring has involved more than 100 volunteers and about 130 students. Watkins said participating students have had better attendance records since the mentoring began.

The mentoring was begun in conjunction with St. Louis Urban K-Life, a Christian ministry whose employees and volunteers have been helping out in various capacities in city schools since 2005, said Jason Julian, that group's executive director.

Watkins and Lambi said Graduate America Priority 1 so far also has had volunteers in St. Charles County coach laid-off workers at US Fidelis, an auto warranty firm in Wentzville, on how to access college aid programs and related matters.

Meanwhile, Watkins said 50 low-income students who plan to begin kindergarten in St. Louis this fall will be selected for a program aimed at helping them succeed throughout their schooling. He said he hopes that the program will include commitments by colleges for scholarships.