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ST. LOUIS POST-DISPATCH

UM economic development takes big cut

More cuts are in store as expected downturn in state funding of higher education is worse than thought.

The University of Missouri system is slashing its economic development budget next year in response to an unexpected cut in higher education funding.

The move will eliminate nearly half of the \$5 million Enterprise Investment Program that supports research and economic development across the state.

"It was not a choice we wanted to make, but it was the least objectionable option," the system's interim president, Steve Owens, said in a statement.

Even with the reduction, the system still needs to come up with \$2.2 million more in cuts from the four campuses, central administration and extension program. The remaining cuts will be left to the individual operations.

System officials have long planned for an expected downturn in higher education funding. For much of this year, the worst-case scenario appeared to be 7 percent. But that was increased earlier this month to 8.1 percent by Gov. Jay Nixon.

Nixon targeted UM with the extra increase in response to the system's decision to raise tuition higher than his requested 5 percent. The Board of Curators voted earlier in the year on a 5.5 percent hike.

And now the system is scrambling to fill that unexpected \$4.4 million funding gap.

During the last curators' meeting, system officials offered several ideas. They included an enrollment cap on in-state students, a new student fee, a reduction in contributions to employee retirement funds and a cut in financial aid.

Owens said he decided against the other budget cuts for a variety of reasons, including a hesitancy to pass more of the financial burden on to students and employees. Still, it seems clear that the idea of an enrollment cap is far from dead.

"We cannot continue to take more and more students while state support declines and there are legal and practical restrictions on our ability to increase tuition," Owens said.

In recent years, with state funding dwindling, the system has built a significant backlog — it is deferring \$37 million in expenses next year — of maintenance and repairs across the four

campuses. And while the 2012 budget does include money for 2 percent raises for faculty and staff, the various campuses trail most of their competitors in terms of employee compensation.

UM System slashes investment in business startup program

By MARA ROSE WILLIAMS

The University of Missouri System is chopping its investment in a key economic development program by half to avoid charging students more, reducing financial aid and shrinking pay raises.

Steve Owens, the system's interim president, said Wednesday that he opted to cut the four-campus system's commitment to its Enterprise Investment Program, part of its research and economic development mission, to address an additional 1.1 percent — or \$4.37 million — reduction in the 2012 state appropriations announced by Gov. Jay Nixon earlier this month.

University officials said that slicing the business startup program from \$5 million to \$2.8 million would cover about half of the state funding reduction.

The rest of the 1.1 percent reduction will be divided among all four campuses, with each deciding how to meet its share.

“While the university will be able to fulfill its commitment for the first round of pending investments in early-stage companies, the cut will adversely affect future funding of collaborative ventures among the university, entrepreneurs and businesses,” Owens said in a statement.

“In all likelihood, the cut also will reduce the amount of new revenues from licensing technologies that support the university's economic development mission. This was not a choice we wanted to make, but it was the least objectionable option.”

The additional state reduction came when the governor — to address disaster relief because of the Joplin tornado — decided to hold back \$14.9 million from four-year institutions, and \$1.9 million more from two-year community colleges and technical schools. That hold meant most of the state's public colleges and universities will see a 7 percent decline in state funding from the current year. But Nixon added an additional 1.1 percent cut for the UM System and Missouri Western State University. Because, he said, those schools raised tuition higher than others in the state.

Owens said he decided against several other suggests, for dealing with the cuts, that University administration had discussed with the Board of Curators in order to better “underscore” commitment to students, faculty and staff.

Some other suggestions kicked around included imposing a student fee surcharge, reducing institutional financial aid and reducing the 2 percent salary merit pool for employees.

According to today’s release, Owens also said he did not want to increase employee contributions to the retirement plan or reduce funding for Extension’s 4-H program.

Another solution suggested by curators — capping enrollment — needs more study, university officials said.

System-level officials said the latest proposed cuts would be on top of \$8.7 million in previously identified cuts, and more than \$53 million in efficiencies and reallocations already made on all four system campuses to balance the fiscal 2012 budget, which begins Friday.

Nikki Krawitz, vice president for finance, said that included in those trims is \$37.1 million from deferred maintenance and repair on labs, classrooms and buildings, bringing the university’s deferred maintenance backlog to more than \$1 billion.

St. Louis Business Journal

University of Missouri System to cut startup funding

by Kelsey Volkmann

The University of Missouri System said Wednesday it plans to cut funding in half from \$5 million to \$2.8 million for startups under its Enterprise Investment Program to help offset state funding reductions.

Earlier this month, Gov. **Jay Nixon** made an additional 1.1 percent, or \$4.37 million, cut in 2012 state appropriations for the University of Missouri System.

The program helps early-stage companies commercialize intellectual property developed at the university, particularly in the life sciences, nano science, information technology, engineering, energy, medicine and medical devices markets.

“While the university will be able to fulfill its commitment for the first round of pending investments in early-stage companies, the cut will adversely affect future funding of collaborative ventures among the university, entrepreneurs and businesses,” said University of Missouri System Interim President **Steve Owens**. “In all likelihood, the cut also will reduce the amount of new revenues from licensing technologies that support the university’s economic development mission. This was not a choice we wanted to make, but it was the least objectionable option.”

In fiscal 2010, MU received more than \$9.5 million in licensing revenue, including royalties and licensing fees. MU also licensed 38 new technologies for commercializations, and filed 57 patent applications.

The other half of the 1.1 percent reduction will be shared at each of the four campuses, the University of Missouri Extension office and administration. Each operational unit throughout the system will make the decision about how to deal with its share of the cut, officials said.

When weighing the additional reductions, Owens said he chose not to impose a student fee surcharge or reduce institutional financial aid. He also decided not to reduce the 2 percent salary merit pool for employees or reduce funding for the Extension’s 4-H program.

Capping enrollments, another option presented at the board of curators meeting, is a long-term strategy that will require careful study, Owens said.

“We cannot continue to take more and more students while state support declines and there are legal and practical restrictions on our ability to increase tuition,” he said. “Without adequate resources, the quality of our academic and research programs is at risk.”

Owens noted this strategy has been adopted or considered by public institutions in several states, including Texas, Florida, California, Nevada, North Carolina, Iowa, Washington, Arizona, Michigan and Colorado.

The most recent 1.1 percent reduction in state support is in addition to \$8.7 million in previously identified cuts, efficiencies and reallocations and \$53.2 million in cuts made by the university to balance the fiscal 2012 budget.



UM slashes entrepreneur fund to balance budget loss

By Rudi Keller

An enterprise fund originally slated for a \$5 million investment will bear half of the burden imposed on the University of Missouri System by Gov. Jay Nixon's decision to cut \$4.37 million from the school's budget, interim President Steve Owens announced today.

Nixon made the budget cut — an addition to the \$29 million he originally proposed to cut from UM — to send a message to the university that he was upset with the Board of Curators' decision to increase tuition and fees by more than 5 percent. Most colleges and universities saw a 7 percent cut in state aid for the year that begins Friday. The UM cut will be 8.1 percent.

The cuts left the university with several options, all bad, Owens wrote in an email announcing his decision. Owens said he would not touch the 2 percent increase in the salary pool or require employees to increase their contributions to retirement plans.

"We recognize that our faculty and staff are already undercompensated and that we suffer competitively as a result," Owens wrote. He also wrote that he rejected additional increases in fees or cuts in financial aid.

Instead, \$2.18 million will come from the Enterprise Investment Fund, intended to aid entrepreneurs in marketing university research. "The likely effect of this cut will be felt in the form of fewer new businesses and new jobs created as a result of the program," Owens wrote.

The other half of the \$4.37 million cut will be shared equally by the four campuses, University Extension and administration, Owens announced. "Each operational unit will be in the best position to deal appropriately with its share of the additional cuts," he wrote.

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UM System Enterprise Investment Program loses \$2 million in funding

By [Megan Cassidy](#)

June 29, 2011 | 8:12 p.m. CDT

COLUMBIA — Interim UM System President Steve Owens announced Wednesday that the system's Enterprise Investment Program took the hit after a two-week deliberation to decide where to inflict a deeper cut in state funding.

In a letter to university employees, Owens said half of the recent \$4.37 million withholding mandated by Gov. Jay Nixon would come out of the program, which supports university-affiliated start-ups. This would leave the program intact but reduce its original budget by \$2.18 million.

The other half will be allocated to the four campuses, Extension and System Administration on a pro rata basis.

MU will absorb \$957,000, said Christian Basi of the MU News Bureau.

"This money will come from accumulated savings from frozen positions and cutting other positions since the university's hiring freeze went into effect in 2008," Basi said. When positions are vacated, supervisors must get special permission to refill the space, he explained.

"This has left numerous unfilled positions across campus," Basi said. He estimated that roughly \$5 million remains in the savings fund, but university budget planners had set it aside to absorb any future financial burdens.

"We had hoped to hold on to these savings in the upcoming years because of the continuing economic uncertainties and potential decreases in student enrollment," Basi said. "Some predict there will be fewer high school graduates in Missouri in the next few years."

Owens rejected other options that had been presented to the Board of Curators two weeks ago. Possibilities included adding to student fees, asking employees to contribute more to their retirement funds and trimming the 2 percent merit salary pool.

Mizzou Advantage helps fund hiring of 25 faculty members

By Will Floyd

June 29, 2011 | 7:05 p.m. CDT

COLUMBIA — Twenty-five new faculty members will be added at MU over the next five years to improve developing networks in Mizzou Advantage, which has set aside \$50,000 in matching and recurring funds for each position as an incentive.

Mizzou Advantage is a developing system that rewards interdisciplinary work and challenges the traditional standard of research at universities, said Charles Davis, a faculty facilitator for the Media of the Future initiative.

According to the MU Provost's Office, most positions will go to applicants with skills that span different schools within the university. The goal is to initiate research that involves more than one area of expertise.

A plan set in motion by Provost Brian Foster includes three main criteria for the new hires:

- To bring in people with connections to one or more organizations outside MU, thus creating lasting relationships
- To bring expertise to MU that supports networks established in Mizzou Advantage's five initiative areas: Food for the Future, Media of the Future, Sustainable Energy, Understanding and Managing Disruptive and Transformational Technologies and One Health One Medicine
- To find people with links to a national lab or agency, such as the Argonne National Laboratory, who would be interested in doing large research projects at MU

Four or five hires will be made each year to lessen the load of start-up costs, according to the provost.

Deadline near for stores to remove products with banned chemical BPA

MU MENTION PAGE 2

By Roberto Daza

Baby bottles, sippy cups and jars carrying the chemical bisphenol A (BPA) must be removed from store shelves starting Friday.

The removal stems from a law passed in 2010, when state lawmakers banned any container made for infants and toddlers that contains the chemical.

Washington has joined nine other states, including Delaware, Connecticut and Minnesota, that have banned the chemical, which also is found in soda cans, eyeglass lenses and CDs.

"The evidence of harm is growing," said Carol Kraege, a policy coordinator for the state Department of Ecology. "We felt reducing that exposure was the smartest move."

The chemical is used to make plastic that helps keep containers airtight, which in turn helps keep bacteria out and extends shelf life. More than 2.4 billion pounds of it were produced in 2007, according to the Environmental Protection Agency.

But studies have linked BPA to miscarriages and breast cancer in women and sexual dysfunction in men, in addition to a host of other maladies, including cancer.

The chemical affects the body's hormonal system, impacting brain development, behavior and the prostate gland. Experts say children are particularly vulnerable because their brains and bodies are still developing. Pregnant and nursing women are also encouraged to avoid BPA.

"The greatest concern is the developing fetus and infants," said Patricia Hunt, a professor at Washington State University whose research helped inform the legislation. "But it's also a problem for young adults and older people as well."

Plastic sports bottles also were included in the state ban but may remain on store shelves until July 2012. Canned goods are exempt. Retailers and manufacturers who violate the ban face fines of up to \$5,000.

While the ban is lauded by state health officials, Hunt says there still is work to be done.

"Many consumers are reaching for BPA-free products, but many of those products use replacement chemicals that haven't been tested," Hunt said.

The law fails to address another concern of researchers. An analysis by The Environmental Working Group, a consumer-advocacy group, found that Americans are regularly exposed to chemicals in paper receipts.

Scientists from the University of Missouri found that the amount of BPA on a receipt is 250 to 1,000 times greater than that typically found in a can of food or baby formula, and that the chemical would likely stick to the skin of anyone handling the receipts.

Dog paralysed in Joplin tornado starts to walk again

Paralysed in the tornado that devastated Missouri last month, Sugar - a cocker spaniel/chow chow mix - is regaining function and beginning to walk once more.

This comes at the same time as her family attempt to rebuild their lives.

Sugar was given emergency surgery by the University of Missouri veterinary program and with rehabilitation, is slowly starting to use her legs again.

'This has given us a bright spot in some traumatic and depressing times, and it's given people around us a reason to smile,' Sugar's carer Daniel Leatherman said.

Paralysed by the tornado, Sugar escaped from her family's basement shelter where she was with owners Steven and Debbie Leatherman.

After the pooch was no where to be found.

The Leatherman's - along with son Daniel who had driven home from Columbia, Missouri - began searching through debris.

The family also searched using social network sites to find the dog Daniel described as 'feisty as a puppy, but just a big old cuddlebug now that she's older.'

The following day, she was found in a drainage ditch but she had lost the use of her hind legs.

Needing treatment for their beloved pup, Daniel - a biochemistry student at at the University of Missouri - phoned the university's College of Veterinary Medicine:

'I called to make sure they could help, and they said to bring her right in,' he told TODAY.com.

Post-haste to the university, Fred Winger, an assistant professor of neurology and neurosurgery found since Sugar still felt pain sensation.

This meant that if she underwent emergency surgery, she may walk again.

Two weeks after surgery, Sugar began moving her hind legs.

The university treated her gratis with daily electrical stimulation to prevent muscle atrophy and underwater treadmill therapy.

Orscheln Farm and Home also donated food and toys, aiding Sugar's care.

Now, recuperating with Daniel at the university in Columbia, the dog, who loves apples and hot popcorn, is starting to walk again.

He said: 'She's improving every day.'

'If I get up to go to the kitchen, she'll follow me until her bottom just sort of falls. She seems to know to push herself, but also knows her limits.'

Daniel, who is beginning a new research job and finishing his undergraduate study is helping Sugar's recovery as his parents rebuild their home in Joplin.

The pup wears a brace that helps her walk as Daniel takes her out for potty breaks and bathes her to allow her to move with bouyancy.

'It gives you perspective,'" Daniel said. 'After this, I don't have much to complain about.'

This is not the only heart-warming dog story to come out of the recent tornadoes that have wrecked havoc on the American landscape.

Mason, a scrappy pup from North Smithfield, Alabama, crawled home on two broken legs weeks after the town was ravaged by an deadly tornado.

Hiding in a garage for three weeks, the dog completed an 'incredible journey' to get home.

Then, with the help of donations and the generosity of a nearby veterinary clinic, Mason underwent an operation to fix plates into his two front legs.

Phil Doster, who sheltered the pet during his convalescence said:

'For an animal to go through what he's gone through and not to be ugly, to be happy for any companionship is remarkable.'

'We're honoured to be part of his recovery.'

T H E
H U F F I N G T O N
P O S T.

Boeing Overcharged Pentagon \$13 Million, According To Audit: The Watchdog

MU MENTION PAGE 2

Despite bipartisan outrage over Pentagon spending in the 1980s -- remember the \$600 toilet seat? -- such contracting abuses continue to take place.

Boeing overcharged the U.S. Army up to 177,000 percent on helicopter spare parts -- \$71.01 for a metal pin worth 4 cents that the Pentagon already had plenty of in storage -- according to an audit by the Department of Defense's inspector general and obtained by the Project on Government Oversight. The audit focused on the Army Aviation and Missile Life Cycle Management Command's transactions with Boeing to supply the Corpus Christi Army Depot in Texas.

The IG found that the Army should have only paid \$10 million -- instead of the nearly \$23 million it was charged by Boeing -- for various parts, about 131.5 percent above "fair and reasonable" prices. The audit concluded that Boeing should repay the \$13 million overcharge. The defense industry giant has refunded about \$1.3 million plus a \$324,616 credit as of the date of the audit.

Though the amount pales in comparison to the total Pentagon budget, POGO notes:

The individual transactions of tens of thousands to millions of dollars examined by the DoD OIG may at first appear to be small potatoes against an annual DoD budget of more than \$700 billion, including the costs of the wars. But when viewed over the cost of a weapon system's lifespan, the total cost of spare parts—including simple components such as ball bearings, retainers for nuts and bolts, sleeve bushings (basically just a metal cylinder), and straight metal pins—can be significant. The cost to buy a weapon system out of the factory, such as the AH-64 helicopter, usually is less than the cost to operate and maintain the weapon over its life. Parts on a weapon have to be replaced at varying intervals and, similar to how the human body replaces most cells in the body in less than a decade, a major weapon system with a long-enough life span may

eventually be largely rebuilt with new spare parts. Hence the expression that aircraft are nothing but "spare parts" flying in close formation.

How Do You Put A Dollar Value On Cleaner Water, Safer Passengers?

Over the last several decades, cost-benefit analysis (CBA) has become the standard way to assess the impact and value of new government regulations and rules. Regulators are required to determine whether the cost to implement a new rule -- such as a proposal regulating the type of fuel tanks in airplanes -- does not exceed the benefits. Critics have argued that the method is flawed because benefits (such as lives saved by switching to a sturdier fuel tank) are much more difficult to quantify monetarily than costs (the price of purchasing and installing the new fuel tanks).

Now, as Congress mulls codifying CBA analysis requirements, a legal scholar argues in a new study that existing CBA procedures systematically undervalue the benefits of regulation, leading to widespread under-regulation of health hazards and environmental harms.

"Federal agencies consistently undervalue the benefit of saving human lives in the future by failing to account for 'health inflation,' the rate at which health care costs rise more quickly than prices of normal goods and services, and 'wealth inflation,' the phenomenon by which residents of wealthy countries tend to get richer over time," writes Ben Trachtenberg, a visiting associate professor at the University of Missouri School of Law. "The resulting undervaluation causes the agencies to underestimate the likely benefits of regulations, thereby causing agencies to forgo enacting some lifesaving policies."

Poor Planning For Disaster Procedures At Nuke Plants Much More Pervasive Than Thought

Problems with emergency equipment and disaster procedures at U.S. nuclear plants are far more pervasive than currently reported by the Nuclear Regulatory Commission. A probe by ProPublica's John Sullivan found that 60 plant sites had problems from broken machinery and missing equipment to blocked drains -- far more than the 12 reactor sites cited by the NRC last month during their inspection ordered in the wake of the Japanese nuclear disaster.

Among the more serious problems: several flood-control pumps didn't work at the Arkansas Nuclear One plant and a fire pump broke down during a test at the Clinton plant outside Bloomington, Ill.

The extent of the deficiencies is all the more troubling after this weekend's flooding in Nebraska and Iowa threatened two plants in those states -- Fort Calhoun Station and Cooper Nuclear Station.

First Confucius Institute lecture outlines challenges of China's international business

By Jeremy Jardine

June 29, 2011 | 8:22 p.m. CDT

COLUMBIA — **The Confucius Institute hosted the first of a series of lectures at Cornell Hall on Wednesday.**

Guohui Sun outlined the current situation and challenges of China's outward foreign direct investment, also known as OFDI.

Sun is a professor and the dean of the School of Business at Central University of Finance and Economics in Beijing and **is a Fulbright Scholar at the Trulaske College of Business at MU.**

Sun's lecture was delivered in Chinese and later translated by Wen Ou Yang, a communications specialist at the Office of the Vice Provost for International Programs.

China's OFDI is highly ranked among developing countries, but Sun suggested that the emphasis on investments instead of operations is sacrificing China's brand image.

"Although GDP is going up, the country's image needs to be improved," Sun said in his presentation. "It will be the biggest challenge for Chinese government if they want to be a successful international business."

Sun explained that a country's political image, geographical location and international interaction all contribute to the way consumers buy products. He cited an example in which an American wants to buy a car but contemplates the decision because he or she feels reluctant to buy a car from a communist country.

Sun also addressed the difference between the consumers in each country.

“Western consumers focus more on quality and experience, while Chinese consumers are much more emotional,” he said. This emotional focus means that if a customer is satisfied, friends and family members will most likely make the same purchase.

When asked if China will continue to invest in other countries, specifically South Africa, Sun said it would be tough because they would be faced with a new culture and would have to adapt to the local government’s needs.

“Compared to developed countries, South Africa has much lower technology levels, making it more difficult for them to adapt to our products,” he said.

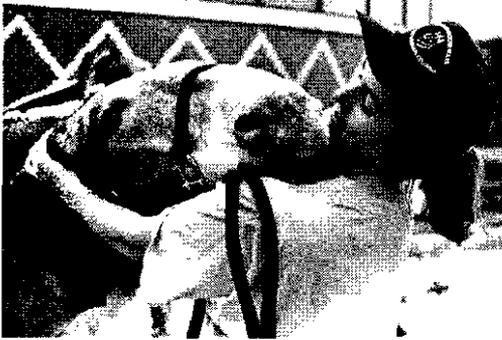
MU Vice Provost for International Programs Handy Williamson explained that we need to understand China and its culture if we are to be competitive in the future.

“As these relationships emerge, the impact of globalization will happen whether we like it or not, and we will benefit from being informed,” he said.

MU College of Veterinary Medicine remembers Louise, its mascot mule

By [Garrett Evans](#)

June 29, 2011 | 7:34 p.m. CDT



Mandy Fales gives Louise, one of the MU College of Veterinary Medicine's mascot mules, a scratch behind the ears.

‡ Missouriian File Photo

COLUMBIA — Louise was a mule, but she wasn't stubborn. In her 27 years in Columbia, she got along with many of the people she met.

With her partner, Hilda, Louise traveled all over Missouri as the mascot for the MU College of Veterinary Medicine. Hilda and Louise attended as many as 50 events a year — parades, church picnics and even weddings. They made appearances at alumni events and festivals across the state, including the Soybean Festival in Mexico, and the Maple Leaf Festival in Joplin.

Last week, Louise had to be euthanized at the age of 35 because of deteriorating health. Over the nearly three decades she spent in Columbia, she became so popular that alumni and other visitors sought her out when they were on campus.

"I really underestimated the impact she would have on the public and on the students," said John Dodam, chairman of the department of veterinary medicine and surgery. "From people that come to the mule barn on Sundays to feed the mules carrots, to alumni showing their kids the mules on a football game weekend, I never knew any of this would happen."

The pair of mules came to MU in 1984 after Robert Kahrs, former dean of the Veterinary School, purchased them from a farmer in Fayette. When a new team of mules was purchased in 1996, Louise and Hilda retired.

Physically, Louise was distinct from her partner and the other mules. She developed more white on her face as she got older, and she was easier to spot around the pasture. Hilda and Louise weighed between 900 and 1,000 pounds, about half the weight of the other mule teams, Dodam said.

Compared to her partner, Louise developed a personality that set her apart.

"Mules tend to bond with individual people and act a little standoffish toward strangers," said Dodam, who's also an adviser to the Mule Club, which is made up of students who exercise, groom and feed the mules. "But Hilda and Louise were two mules that both seemed to get along with all kinds of different folks — Louise even more so than Hilda."

Those who interacted with her said Louise was reliable and smart.

James Thorne, another Mule Club adviser, worked with her for more than 20 years.

"She was a good mule and not as flighty as Hilda," Thorne said.

Louise also played a part in the education of veterinary students by giving them an opportunity to work with the mules on the road as well as on campus.

"This teaches students how to handle the mules, as well as how to interact with the public, which can be a relatively stressful situation when dealing with such large animals," Dodam said.

The Mule Club has not decided on a memorial for Louise but has discussed planting a tree in her honor or spreading her ashes in the mule pasture.

"She was such a reliable and steady partner when it came down to it," Dodam said. "She played a huge role in training our students, both to the mule drivers and veterinarians, and we certainly appreciated her patience."