McCaskill talks student loans at MU as hike looms

U.S. Sen. Claire McCaskill came to the University of Missouri Thursday to tout a plan that would drastically cut interest rates on federally subsidized student loans. She left with an earful of comments from debt-ridden Mizzou student leaders who had clearly done their homework and remain worried about their futures.

The Democratic senator met with 16 hand-picked campus leaders to build support for the proposed Bank on Student Loans Fairness Act. The bill, whose sponsors include Sen. Elizabeth Warren (D-Mass.), seeks to reduce the current interest rate of 3.4 percent on subsidized Stafford loans to 0.75 percent for one year until a longer-term fix can be developed.

The Republican-controlled U.S. House voted last week in favor of variable student loan interest rates to avoid an automatic increase to 6.8 percent on July 1. That move would spare students from more sizable rate hikes in the near future but expose their future repayments to the vagaries of the market. President Obama has vowed to veto that measure should it reach his desk.

The McCaskill-backed measure links interest rates on Stafford loans to a short-term rate offered to banks by the Federal Reserve known as the "discount window." While critics of the proposal cite the high default rates of riskier student loans and the more onerous obligations banks face to get such cheap rates, McCaskill emphasized the symbolic importance of linking student loan rates to those enjoyed by Wall Street.

"I certainly understand that there is a difference," she told reporters after the round table discussion. "We might need to add to the proposal some basis points for (loan) administration, and maybe a slight increase in that rate to embrace a default rate that might occur. But the principle is a sound one. If we are making it easy for financial institutions to access capital that belongs to the United States, we ought to try to make it easy for students to access (that same) capital."

Jake Wright, a 32-year-old doctoral student in philosophy, lauded McCaskill for her efforts to make college more affordable to the masses. But he was among several students who questioned
the senator's preferred proposal, which would not apply to loans obtained for graduate studies. Wright said he has loan debt of $60,000, and knows other students whose debt reaches into six figures.

"I wish I could sit here and tell you my student loans are at the upper end of the spectrum," he said. "But they're not. Many of us are just being crushed by this debt."

Junior Camille Hosman described widespread student debt as a toxin that funnels talented students away from public sector careers into fields where higher incomes can help pay off debts sooner, but at considerable costs.

"Student loans aren't seen as an opportunity anymore," she said. "It's less of an opportunity and more of a trap."

McCaskill said she didn't expect Congress to immediately broaden its relief efforts toward post-baccalaureates, but also said elected leaders ignore such concerns at their own peril.

"We can't just ignore the debt burden on graduate students and think that's not going to come back and bite us," she said.

McCaskill's session comes one day before Obama hosts a similar discussion with students at the White House. Congress extended the current rates last summer by one year and expects to further debate higher education spending when it returns to Washington after a Memorial Day break.
Sen. McCaskill discusses rising loan rates with MU students

By Connor Relyea
May 30, 2013 | 7:42 p.m. CDT

COLUMBIA — Salama Gallimore is about to start her third year at the MU School of Law, but she's got more than difficult classes to worry about.

Gallimore has taken out student loans not only to help pay for her education but also to cover living expenses. By the time she's finished with law school, she'll be about $100,000 in debt. She's not sure how she's going to pay it off, especially given the high interest rates that graduate students pay on their loans.

"I got my credit card in 2008. I'm facing the same interest rate (on student loans), which is a little disheartening," Gallimore said.

Gallimore was among 16 MU students who sat down to talk with U.S. Sen. Claire McCaskill, D-Mo., on Thursday about an impending increase in student loan interest rates.

McCaskill thinks higher student loan interest rates are a bad idea, and she is co-sponsoring the Bank on Students Loan Fairness Act, which would allow undergraduate students receiving subsidized federal students loans to borrow money at the same interest rate as Wall Street banks, or 0.75 percent.

If Congress takes no action, the current student loan interest rate of 3.4 percent will double to 6.8 percent in July.

"Most important to the future of this country is the notion that higher education remain accessible to every single young person in our country," McCaskill said.

The students who talked with McCaskill on Thursday are taking the threat of higher loan interest seriously. Camille Hosman, a member of the Missouri Student Association, said that although the student loan program was implemented to get students to college, that task is becoming increasingly difficult.
"Loans are no longer looked at as an opportunity," Hosman said. "They're now more of a trap."

Last year at MU, the Office of Financial Aid processed $210 million worth of federal loans, Financial Aid Director Nick Prewett said. Of that amount, $147 million came from federal direct subsidized and unsubsidized loans.

McCaskill emphasized that federal resources should be focused on getting students into college.

"We prioritize getting people in at the beginning of the higher education experience, with the assumption that people at the back end will be able to handle the debt load much more easily," she said.

While the legislation McCaskill is working on would lower the interest rate for undergraduates, graduate and professional students are not part of the conversation. Gallimore wants to change that.

"I feel that it is really unfair for graduate students to be paying at 6.8 percent, when it is clearly unconscionable for undergraduate students to be paying the same rate," Gallimore said. "It's definitely something that needs to be addressed."

McCaskill agreed that Congress can't continue to ignore graduate students' debt.

Last week, the U.S. House passed the Smarter Solutions for Students Act that would change the structure of student loans to allow interest rates to change with the free market rather than being established by Washington.

Fourth District Congresswoman Vicky Hartzler, R-Harrisonville, supported that act.

"The student loan rate issue should not be a political football that is subject to election-year campaigning and other shenanigans," Hartzler said in a news release last Thursday. "This bill ends loan rate uncertainty and strengthens student loan programs to serve the best interests of both borrowers and taxpayers."

McCaskill said the Smarter Solutions act would leave students with floating interest rates that change every year. "I'm fairly certain we can find a compromise that doesn't have floating rates," she said.

U.S. Sen. Roy Blunt, R-Mo., agreed that compromise is necessary on the issue.
"I believe we should work together to achieve a bipartisan, common-sense solution that will provide permanent reform to help young Americans avoid a higher interest rate on their student loans," Blunt said in an email.

While the discussions will peak in the coming weeks, the conversation will continue to focus on undergraduate student loans, leaving graduate students to hope that one day their loans will be considered.

"I'm not really confident that it will be addressed anytime in the near future, but I definitely think we got through to Sen. McCaskill that we need to be a part of the conversation," Gallimore said. "So I believe that's a win here."

*Supervising editor is Scott Swafford.*
Smoke-free deadline nears for MU campus

Programs offer cessation help.

By Karyn Spory

Thursday, May 30, 2013 at 2:00 pm

The University of Missouri is on track to make campus smoke-free beginning July 1, a full year ahead of schedule.

In 2009, Chancellor Brady Deaton announced a five-year plan to move toward becoming a smoke-free campus, said Laura Schopp, director of the T.E. Atkins UM Wellness Program. Smoking was banned in buildings, and in 2011, a transition phase began by allowing smoking only in designated areas — a move meant to give smokers "ample time to successfully quit smoking or make necessary adjustments to their smoking patterns," the Smoke-Free Mizzou website said.

The original smoke-free target date had been Jan. 1, 2014, but last year it was moved up by six months.

More than 500 U.S. college or university campuses have gone tobacco-free or smoke-free in recent years.

"Increasingly, on campuses across the United States, they have had student movements that have led them towards a smoke-free campus," Schopp said. "The very same thing happened here."

Xavier Billingsley, former president of the Missouri Students Association, said working toward making MU smoke-free was an important part of his presidency.

Billingsley said besides having a gender- and diversity-inclusive campus, he and fellow students wanted a "health-inclusive campus," and going smoke-free was a big part of that.

"We wanted to make our campus a clean and healthy institution," he said.

The policy prohibits the smoking of cigarettes, e-cigarettes, pipes, cigars, hookahs and water pipes.
Schopp said even though e-cigarettes don't produce smoke, they give the illusion of smoking and can cause confusion in terms of policy enforcement.

She said her role is to support faculty and staff members through the transition with education and clinical support services.

Schopp said the Atkins wellness program will provide smoking-cessation programs for faculty and staff, while students can find support through the Wellness Resource Center.

"We've come a long way in terms of helping our faculty and staff in terms of smoking-cessation resources," Schopp said.

Schopp said there are free and low-cost smoking-cessation medications, programs and counseling support.

For those who still want to light up, they must leave any property that is owned or leased by the university. Schopp said leaving campus during unpaid lunch breaks is a choice any employee can make, and leaving the university premises during paid breaks is at the discretion of the employee's supervisor.

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Posted in Education on Thursday, May 30, 2013 2:00 pm.
Nixon says tax-cut bill would impose medicine tax

MU mention p. 2

Already leaning toward a veto, Democratic Gov. Jay Nixon raised a new objection Thursday to an income-tax-cut bill passed by Missouri's Republican-led Legislature asserting it could result in a more than $200 million tax hike on prescription medications.

Nixon said his administration discovered the potential tax increase - an apparent technical mistake - as part of a routine but thorough review of legislation passed during the annual session that came to an official close Thursday.

"The out-of-pocket cost of prescription drugs, especially for those suffering from cancer, heart disease or other life-threatening conditions, already puts a strain on many Missouri families," Nixon said in a written statement. "That is why it is so troubling that House Bill 253 would repeal Missouri's longstanding sales tax exemption on prescription drugs."

He added: "This is a tax increase that Missourians cannot afford and don't deserve."

Supporters of the legislation reacted to Nixon's revelation with surprise and frustration.

Sen. Will Kraus, who was the main architect of the bill, said House sponsor Rep. T.J. Berry both said they never intended to repeal the existing tax exemption for prescription drugs and had no previous indication that the bill might do so. Kraus said the specific wording at issue actually was recommended by personnel in Nixon's Department of Revenue.

"This is as much the governor's slip up or mishap," said Kraus, R-Lee's Summit.

House Speaker Tim Jones said his staff had an email from the Revenue Department to legislative researchers suggesting the wording to which Nixon now objects.

"The governor really jumped the shark hard on this one," said Jones, R-Eureka. "It's pretty much his fault."

But the Department of Revenue said Thursday that the wording it provided to legislative researchers would have protected the sales tax exemption.
Kraus, Jones and other bill backers suggested the governor should sign the bill into law and allow legislators to fix the error later — either in a September special session or during their 2014 regular session. They said there’s no need for immediate concern, because the changes to the prescription drug taxes wouldn’t take effect until 2015.

The legislation was a top priority this year for Republican lawmakers, who hold a supermajority in both the House and Senate.

The bill would phase-in a 50 percent deduction over five years for business income reported on individual income tax returns. It also would gradually cut Missouri’s corporate income tax rate nearly in half over and lower the top tax rate for individuals from 6 percent to 5.5 percent over the next decade. The rate reductions for corporate and individual taxes would take effect only if annual state revenues continue to grow by at least $100 million over their highest point in the preceding three years.

Legislative researchers had estimated that the measure would reduce Missouri’s potential revenues by about $700 million annually when fully implemented, but that analysis did not include the potential pharmaceutical tax increase. The governor had said previously that the lost revenues could jeopardize funding for essential state services such as public education and mental health care. He had indicated May 10 that he was likely to veto the legislation.

The newly revealed pharmaceutical tax could increase the likelihood that Nixon spikes the bill. The governor said Thursday that it’s “only one of many red flags that the ongoing assessment of this legislation has raised.”

“I think the governor is looking for any reason to veto the bill,” said Tracy King, the vice president for governmental affairs at the Missouri Chamber of Commerce and Industry. But “this obviously is a big deal __ taking away that exemption for prescription drugs is not something the chamber supports.”

The Chamber of Commerce and Associated Industries of Missouri both urged Nixon to sign the measure and let lawmakers correct the error later.

The prescription drug wording was included a lengthy section of the bill that would revise the wording of Missouri’s sales tax laws so that it can join a multi-state compact in which retailers voluntarily collect taxes on online sales. Nixon has supported Missouri’s participation in the streamlined sales tax initiative, which his budget office had projected to generate more than $10 million.

When drafting legislation, changes to Missouri laws are made by putting brackets around words and phrases to be deleted. In this particular case, the imposition of the pharmaceutical tax resulted from a misplaced bracket in the bill. The bracket was similarly misplaced in several other bills containing the streamlined sales tax wording, none of which ultimately passed.

Nixon’s assertion that the bill could result in a $200 million tax increase was based on a 2009 report by the University of Missouri that projected the state would forgo $206 million in general revenues in 2013 as a result of a 3 percent sales tax exemption on prescription drugs. The actual figure could be higher, because Missouri’s total sales tax is 4.225 percent. But actual figures are not available, said Nixon’s budget director, Linda Luebbering.
UM System vice president of human resources receives national Distinguished Service Award

By Allison Wrabel
May 30, 2013 | 4:36 p.m. CDT

COLUMBIA — Betsy Rodriguez said she was surprised and humbled when she learned she had won the College and University Professional Association for Human Resources' 2013 Distinguished Service Award.

"I had no idea, I didn't even know I had been nominated. It was a big surprise," said Rodriguez, the University of Missouri System’s vice president for human resources.

To win the award, one must be nominated by a colleague. A selection board then chooses the winner. The award goes to an association member "who has provided outstanding service to the association through constituent activities, such as service in governance or leadership roles, or through professional development contributions in support of the association," according to the group’s website.

The association’s mission is to serve higher education by providing the knowledge, resources, advocacy and connections to achieve organizational and workforce excellence.

Rodriguez has been an active member of the association for 18 years. She has held several volunteer leadership positions, served on committees, presented at conferences and been a member of the group’s national board of directors.

“Betsy has been an active and engaged leader that has had a great impact on CUPA-HR and those with whom she has worked over the past several years," Mark Coldren, the association's chair-elect, said in a news release.

The award means the award sponsor, Kronos Inc., will contribute $3,000 contribution to the institutional endowment or scholarship of Rodriguez’s choice. Rodriguez has decided to donate the money to Health Care.
"My daughter was in a very very serious car accident two years ago, and the health center basically saved her life," Rodriguez said.

Her daughter spent a week in the hospital immediately after the accident and received treatment for another six months. Her most recent surgery was in August.

The idea of donating the money to Health Care came to Rodriguez in the middle of the night, she said.

"I was thinking it would be so fun to give it to someplace where it would just go to a really great cause."

*Supervising editor is Scott Swafford.*