Nixon asks university leaders to help prevent override of tax bill

By Karyn Spory

Tuesday, June 11, 2013 at 2:00 pm

JEFFERSON CITY — Gov. Jay Nixon today urged higher education leaders to ask their legislative representatives to ensure his veto of House Bill 253 is not overturned.

Nixon addressed Missouri college and university chancellors and presidents at the Capitol Plaza Hotel in Jefferson City during the second annual summit for higher education.

On Friday, Nixon vetoed the Republican-supported bill that would lower the personal income tax rate from 6 percent to 5.5 percent and reduce the corporate income tax rate by 3 percent over three years.

Republicans could consider a veto override in September. But to be successful, they would need the votes of every Republican in the House or would have to pick up support from some of Nixon's fellow Democrats, The Associated Press reported last week.

Nixon said Missouri is a low tax state and his administration has worked to enact "targeted, specific" tax policy — such as eliminating franchise taxes and military retirement tax. "That is targeted tax work with direct economic benefits," Nixon said. "House Bill 253 is not that."

Instead, House Bill 253 and its price tag of $800 million "represents the single greatest threat to public education" he has seen in his career.

Nixon said $800 million is the equivalent to eliminating the entire department of mental health, closing all of the prisons in the state or cutting all state support for public institutions of higher learning. "That's everybody in this room," he said.

University of Missouri System President Tim Wolfe said in a prepared statement that he is not opposed to tax cuts as long as the state is completing the equation by finding revenue elsewhere or identifying where cuts could be made to make up for the decrease in general revenue.
"But that's not what is happening with House Bill 253," Wolfe's statement said. "The ramifications of not completing the equation could be dramatically increased tuition, additional cuts in our workforce, decreased wages and even enrollment caps if enacted."

Nixon acknowledged educators have had to make tough decisions because of decreased funding, but he said that challenge "pales in comparison to an $800 million hole" in the budget.

Nixon asked the leaders of higher education in the room to speak to their local representatives and ask their community members to do the same, to make sure his veto will be sustained in the fall, when the General Assembly has the opportunity to override the veto.

Nixon said the bill is a fork in the road, "and we must choose the right path … or be unable to move forward."

*This article was published in the Tuesday, June 11, 2013 edition of the Columbia Daily Tribune with the headline "University leaders lobbied on tax bill: Nixon vetoed GOP measure."*
JEFFERSON CITY — Gov. Jay Nixon pressed his objections Tuesday to what he called a "risky, untested scheme" that he said would reduce the state’s income tax rate for the first time in more than 90 years.

Nixon vetoed the tax cut legislation last week, and on Tuesday, he urged higher education leaders to tell their state lawmakers how the tax cut could hurt their schools. He said that when fully implemented, the tax cut would cost state government $800 million, which would be the equivalent of eliminating state support for higher education institutions.

The Democratic governor said lawmakers can either support the tax cut or higher education, but not both. He said he strongly opposes the tax measure and "will use the energy of my office to continue to talk about it." After Nixon’s comments to higher education officials, his budget director told reporters a possible tax cut would be considered as Nixon decides how to handle the upcoming year’s state operating budget that takes effect July 1.

Nixon has not yet signed the budget into law and has authority to block spending on specific items.

The income tax cut was among the Republican-led legislature’s top priorities and was designed as a response to a similar but more sweeping tax proposal last year in neighboring Kansas. Supporters of Missouri’s tax cut called it a "responsible way to make Missouri more competitive" and have said Nixon’s veto signals the Show-Me State isn’t interested in retaining its businesses. Two of Missouri’s leading business groups — Associated Industries of Missouri and the Missouri Chamber of Commerce and Industry — also have criticized Nixon’s veto.
Missouri lawmakers return in September to the state Capitol to decide whether to attempt to override any of Nixon's vetoes. To override the veto of the tax legislation, every Republican House member would need to support the effort unless some of Nixon's fellow Democrats can be persuaded to override the veto.

The governor has outlined philosophical, financial and technical objections to the proposed tax cut. Among the reasons he has cited for the veto, Nixon contends the legislation would eliminate existing sales tax exemptions on prescription drugs and college textbooks.

"The magnitude of the choice here is significant, very significant," Nixon said. "Throwing a huge tax cut that's sloppily worded with huge amounts of unintended consequences like raising taxes on seniors on prescription drugs and students on buying their books is not the way to move our economy forward."

Under the tax cut proposals, there would be a phased-in 50 percent deduction over five years for business income reported on individual income tax returns. The state's corporate income tax rate also would be trimmed nearly in half while the top tax rate for individuals would be reduced from 6 percent to 5.5 percent over the next decade.

The tax rate reductions for corporate and individual taxes would be effective only if state revenues grow by at least $100 million annually over their high point from the previous three years. Nixon's administration argued the revenue trigger has issues because it does not account for tax refunds and would be based upon a prior year's change in revenues.

Some of the tax cuts would not depend upon an increase in revenues. Officials estimated state government could lose $1.2 billion under one portion of the measure if Congress passes federal legislation that allows states to more easily collect online sales taxes. Missouri tax's legislation calls for a one-half percentage point cut in the maximum income tax rate if that happens. Budget Director Linda Luebbering said it is expected to shrink state revenues by at least $300 million. Missourians also could file for a retroactive tax refund for the previous three years, which would increase the price tag.

Luebbering said the federal legislation eventually could permit Missouri to collect an additional $210 million annually.

Nixon's administration estimated the exemption for business income would cost state government about $18 million in the upcoming budget year and more than $270 million annually after it is fully phased-in.
COLUMBIA MISSOURIAN

LETTER TO THE EDITOR: Public needs to see UM Press budget numbers

By SHARON HANSON
June 11, 2013 | 3:27 p.m. CDT

Thank you for today's article (June 11) on UM Press. I have a few words of response to it which I hope you take to heart.

When MU's administration attempted to whack out UM Press from the university system (and at the same time grab ear-marked money and foundation support funds that donors like myself gave to boost UMP's efforts), I was appalled.

Of course I read all the journalistic reports in the Missourian and the Columbia Daily Tribune, but not one reporter gave any attention to the fact that the budget for the press was at that time miniscule and had been for years. I suspect its current budget figure was not raised for this fiscal year. Is there any hope, one wonders, of it being raised appropriately to accommodate the many ideas that have been proposed? I know that getting budgetary information from MU System is daunting (It's an enormous and weighty document.), and I never got through the maze to gain a clear picture of the press' tiny budget.

Therefore, I'm asking, could you please report on the budget allocations for the press for the current year and the proposed fiscal year? I think it would be very enlightening. And July (new fiscal year) is just around the corner. In general, university/academic presses have a viable place in the publishing industry. Yes, they are all going through changes, and it would certainly be advisable to invest in this particular publishing niche and finally make our brand stand tall among the rest.

I would appreciate hearing your views, and I am hopeful that you will grasp the importance of taking a business-like look at the current budget (and the past budget for insight, if you have the time) — and provide these figures for those of us holding our breath about our beloved press that has shown itself to be most worthy of support.

Sharon Kinney Hanson, '77 M.Ed, lives in Columbia.
COLUMBIA MISSOURIAN

UM System president appoints new executive vice president for academic affairs

By Missourian staff
June 11, 2013 | 6:10 p.m. CDT

COLUMBIA — University of Missouri System President Tim Wolfe announced the appointment of Henry C. "Hank" Foley as the new executive vice president for academic affairs for the system Tuesday morning.

Foley currently serves as vice president for research and dean of the graduate school at Pennsylvania State University.

"Dr. Foley brings the experience and vision needed to provide the transformational leadership that will grow our university’s academic and research expertise," Wolfe said in a news release. "This new addition to our leadership team will help our campuses keep pace with the changing dynamics of higher education, better serve constituencies on our four campuses and enhance operational efficiencies systemwide."

As executive vice president, Foley will work with campus leaders to lead the system’s strategic planning efforts and academic programs, promote economic development, improve research collaborations and increase funding.

The appointment must be approved by the UM System Board of Curators and has a starting salary of $350,000.

Foley is originally from Providence, R.I., and earned a master’s degree in chemistry from Purdue University and a doctorate in physical and inorganic chemistry from Penn State.

His industry experience includes working for American Cyanamid and consulting with companies such as Westvaco, Air Products, Monsanto, DuPont and Engelhard Corp.
UM System fills newly created VP post

Role includes research focus.

By Jacob Barker

Tuesday, June 11, 2013 at 2:00 pm

The dean of the graduate school and top research official at Penn State University has been tapped to lead the University of Missouri System's academic affairs and research offices, the system announced today.

UM System President Tim Wolfe said this morning he was appointing Henry "Hank" Foley as the system's new vice president of academic affairs. The position will oversee the four-campus system's academic functions as well as its research and economic development efforts, which until recently had been led by separate administrators.

"This new addition to our leadership team will help our campuses keep pace with the changing dynamics of higher education, better serve constituencies on our four campuses and enhance operational efficiencies systemwide," Wolfe said in a statement.

Foley now works as Penn State's vice president for research and dean of the graduate school, a position he has held since January 2010. A professor of chemistry and chemical engineering, Foley began his academic career at the University of Delaware in 1986. In 2000, he moved back to Penn State to lead the university's department of chemical engineering.

Before returning to academia, Foley spent several years in the private sector working for former industrial conglomerate American Cyanamid Co. He also has consulted for numerous chemical companies, including Monsanto, the St. Louis-based biotech and agriculture giant that is a big underwriter of research and programs at the University of Missouri.

From 2006 through 2009, Foley worked as the dean of Penn State's College of Information Sciences and Technology. In 2009, he became the director of the university's Strategic and Global Securities Program, which was designated by the Office of the Director of National Intelligence as a center for academic excellence in intelligence studies. That program trains future intelligence workers for U.S. spy agencies, and Foley holds a top-secret security clearance for "specifically compartmented information," according to his résumé.
In early 2010, Foley authored the report that cleared Penn State climate scientist Michael Mann of academic misconduct allegations raised by climate change deniers after some of his emails were among those hacked from a British university. Mann is one of the leading climate scientists in the United States, and some of his emails, along with other academics', were used by climate change skeptics to bring climate change science into question. Other academic and government institutions that investigated the matter cleared researchers of wrongdoing.

The UM System announced it planned to reorganize some of its offices in January, and the system's vice president of research and economic development, Mike Nichols, stepped down Friday. The system said last week that Steven Graham, who is a senior associate vice president and now heads academic affairs for the system, has no plans to leave.

Foley's appointment is subject to approval by the Board of Curators. His salary would be $350,000. He could not immediately be reached for comment.

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Jamaa Learning Center will remain open

13 hours ago • By Elisa Crouch ecrouch@post-dispatch.com 314-340-8119

ST. LOUIS – Jamaa Learning Center has been granted a reprieve.

**The charter school at 1106 North Jefferson successfully appealed a decision from its sponsor, the University of Missouri-Columbia, to revoke sponsorship of the school and shut it down.**

The university notified Jamaa school officials by letter Tuesday that “the decision to revoke Jamaa’s charter was premature” and that the university would grant the school another year to remain open on probation.

In May, the university’s charter school office had listed deficit spending and unsatisfactory academics as grounds for pulling the plug on the school, which had 144 students this past school year, and will have kindergarten through eighth grade this fall.

Trina Clark James, Jamaa’s executive director, said school officials have found additional funding streams to help with finances. She expressed confidence that students will demonstrate the academic growth in 2013-14 that MU expects.

“Our families have known there have been challenges and they were right there with us,” she said.