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## ST. LOUIS POST-DISPATCH

### Colleges relieved cuts not deeper

BY TIM BARKER [tbarker@post-dispatch.com](mailto:tbarker@post-dispatch.com) > 314-340-8350 | Posted: Friday, January 21, 2011 6:45 am

Maybe it's a sign of the times that Missouri's higher education leaders were relieved, if not actually happy, to hear the governor wants to trim their budgets by 7 percent.

The day after Gov. Jay Nixon announced plans to cut more than \$63 million from higher education spending as part of an effort to balance the state's troubled budget, campus officials said they had braced for worse. Many were preparing for cuts as high as 10 or even 15 percent.

"We knew there was a cliff. And we thought it was going to be a little bit bigger than this," said Ken Dobbins, president of Southeast Missouri State University. "I would have never thought it would be nice to have a 7 percent cut."

Still, leaders say they face numerous challenges on their campuses, which have held tuition rates steady while putting off critical maintenance, freezing salaries and doing little hiring over the past two years. Assuming Nixon's proposed cut survives the Legislature, campus budgets will be 12 percent below their 2009 levels at a time when the state and federal leaders are pushing for a significant increase in the number of college graduates.

It seems clear that Nixon's budget proposal has laid the groundwork for campuses to move quickly with tuition increases for the coming year.

But it remains to be seen whether those increases will satisfy Nixon, who said he doesn't want them to exceed inflation over the past two years -- or around 4 percent.

That's what James Cofer, president of Missouri State University in Springfield, is planning to recommend to his board when it meets to consider tuition.

"We've talked to the students. And they recognize the importance of maintaining the quality of the institution," Cofer said.

**Most closely watched, however, will be the University of Missouri system, whose curators are scheduled to meet next week to consider new tuition rates for the four campuses.**

During an information session last week, the curators were told that even a 5 percent cut in state funding would leave a \$64.4 million hole in their budget -- if they intended to give modest 2 percent raises and deal with critical maintenance and repair issues.

System officials say they want to keep tuition increases in the single digits. And even if they went as high as 10 percent, that would raise just \$44 million.

Coming anywhere close to the governor's goal of a 4 percent tuition hike would leave the campus budgets with some \$50 million in unfunded needs.

Could that mean a third-straight year without merit raises and another year's delay of critical building repairs?

That's going to be among the tough decisions facing curators and campus officials, who are growing increasingly worried about the prospect of losing top faculty members to other states and private schools.

"Once a faculty member starts looking, it's really hard to turn it around," said Nikki Krawitz, the system's vice president of finance.

Of bigger concern for some observers is the plight of lower and middle-income students who get money from programs like Access Missouri, which was gutted in last year's budget balancing.

Nixon has proposed increasing the fund by \$2 million next year after cutting it by \$50 million for this year. He's also adding \$2 million to Bright Flight, which focuses on keeping top students in the state, and \$8 million to the A-plus scholarship program that pays tuition at community colleges.

Faith Sandler, executive director of the Scholarship Foundation of St. Louis, said many of those who benefit from Access Missouri come from families who cannot afford to contribute to their children's college funding. Even if the Access Missouri fund gains a little ground, she said those students will be hurt by tuition increases.

"They pieced it together this year. Next year they'll be in even worse shape," Sandler said.

It's not even clear the fund will remain steady. Last year, Access Missouri was essentially propped up by a \$30 million gift — characterized at the time as a one-time event — by the Missouri Higher Education Loan Authority, servicer of student loans.

It appears now that the authority will make another contribution for the coming year. It's unclear how much it will be.

The authority — which also has begun the lengthy process of establishing its own scholarship fund — has been looking for extra money and is expected to take up the issue at its next board meeting.

"We'll see in March how much we've been able to set aside and what the board wants to do," said Will Shaffner, the authority's director of business development.

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## Nixon proposes 7 percent cut for UM System

By **RUDI KELLER**

JEFFERSON CITY — Gov. Jay Nixon proposed a 7 percent cut in funding for the University of Missouri, part of \$206 million in new cuts across state government to balance next year's budget.

The \$23.2 billion spending plan also makes \$270.8 million in withholdings from the current budget permanent, eliminates 863 state jobs and uses several one-time fixes to find a balance.

For example, school districts will get \$189 million in federal education funds before July 1. That money has to be spent this fiscal year, so Nixon wants districts to save \$112.2 million from other funds for next year. The budget also includes \$64.9 million in federal budget-stabilization funds, said Linda Luebbering, director of the Division of Budget and Planning.

Nixon is asking for \$45.6 million in new revenue but not from higher taxes. Aggressive debt collection by the Department of Revenue and a proposal for a tax amnesty would bring in the money.

The cut to the UM System will total \$29.9 million.

"Certainly no one enjoys cutting higher education," Luebbering said. "If there was more money, that wouldn't be on the table."

In a State of the State speech that focused heavily on job retention and creation, Nixon said he expects "modest increases" in tuition. Other budget references were included to show the state is doing better than others and to note that revenues, which are increasing again, show that Missouri's economy is mending.

The budget also uses \$4.5 million from changes to tax-credit programs, Luebbering said.

House Budget Committee Chairman Ryan Silvey, R-Kansas City, questioned why Nixon is spending any money dependent on legislative action. If lawmakers refuse to pass his program, the budget will be out of balance, Silvey said.

"I am always skeptical of putting money in the bank before putting bills on the governor's desk," he said.

Discretionary budget increases are small. Schools would get an extra \$7.5 million for transportation, and there would be \$12 million more for three college scholarship programs and \$9.5 million more for early childhood special education.

Medicaid spending, an unavoidable expense, will increase by almost \$500 million, including \$176 million of additional general revenue. Luebbering said the Department of Social Services will find \$67.4 million in savings in the program, half by reducing reimbursements to providers and the other half through "better management," she said.

Cutting payments to Medicaid providers isn't popular, Silvey said. Providers already are hard to find in rural areas, he said.

Rep. Chris Kelly, D-Columbia and a member of the Budget Committee, said also Nixon should not have included money that is dependent on legislation in his spending plan. But the budget makes tough choices, many unavoidable, Kelly said.

Cuts in higher education and to state employees are the only places to find significant money, Kelly said. "I don't know if you can go anywhere else if you want to make the budget balance."

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# COLUMBIA MISSOURIAN

## UM budget cuts concern legislators, universities

By Michael Davis

January 20, 2011 | 9:22 p.m. CST

COLUMBIA — Gov. Jay Nixon's proposed 7 percent cut in higher education appropriations for fiscal year 2012 would force the University of Missouri System to find ways to meet a \$29.8 million budget cut.

The university system met Nixon's proposal with a mixed reaction Thursday, applauding his declared commitment to education but expressing concern about the long-term ramifications of his proposal.

In a statement released Thursday morning, the UM System praised the governor's effort to limit the impact of cuts to colleges and universities but noted that the reductions would challenge the system's ability to provide a quality education.

A \$29.8 million drop in state support on top of mandatory increases in expenses next year will leave a budget funding gap for UM of nearly \$72 million, according to the statement.

"As the state's sole land-grant, research university, the University of Missouri System has an obligation to provide Missouri students with a top-quality education," the release stated.

UM curators meet next week to set tuition increases on the four campuses as one effort to help close the gap.

State Rep. Chris Kelly, D-Columbia, objected Thursday to a continued pattern of higher education cuts.

He said he wants the trend to be reversed — a 7 percent increase in state appropriations rather than a decrease.

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Kelly likened the cut to getting punched in the face and only getting a black eye instead of getting two teeth knocked out.

"I'm happy that I didn't get my teeth knocked out, but I'm not too crazy about my black eye," he said.

If the cut is imposed, the quality of education in our institutions will drop, he said.

"The governor puts a bright face on it, but over time, these cuts will have a negative effect," Kelly said.

Finding state funds for higher education in other areas of the budget will be difficult, he said.

Although appropriations for elementary and secondary education make up a large part of the budget, along with health care and corrections, cutting those areas is not easy.

"The problem is you can't close prisons," Kelly said. "And if you can't close them, you have to staff them."

He offered a higher cigarette tax as one solution. Missouri's state tax rate on cigarettes ranks last in the nation, according to a report published in 2010 by the Campaign for Tobacco-Free Kids.

"It's not something to be proud of," Kelly said.

The chairman of the House Committee on Higher Education had a different perspective on Nixon's proposal.

"Any cut we would like to avoid," said state Rep. Mike Thomson, R-Maryville. But he said university administrators expected a cut between 12 percent to 15 percent.

Nixon's proposal may be a sigh of relief to those who expected a bigger number. But as Thomson noted, it is still "early in this process."

# UM hurt less than expected

Tuition increase may help some.

By **JANESE SILVEY**

University of Missouri System administrators say cuts in state appropriations will require the four campuses to continue to reduce spending next year, but they also expressed gratitude that the cut wasn't deeper.

Gov. Jay Nixon last night outlined his state budget proposal that includes a 7 percent reduction, or \$29.9 million, to the university.

Add that to a proposed university budget that includes mandatory expense increases — including a 2 percent increase in the salary pool — and the UM System is looking at a \$72 million funding gap, interim President Steve Owens said in a prepared statement.

Tuition will offset some but not all of that. Even a 10 percent increase — which administrators have said they want to stay below — would generate \$44 million, still nearly \$30 million shy of filling the hole.

Owens and administrators have been tight-lipped about how much tuition will increase, but he said the lack of state support is a key factor when making that decision. Curators are meeting next week to set tuition rates.

The state cut could have been worse, though. Nikki Krawitz, vice president of finance and administration, told curators earlier this month the worst-case scenario would be a 15 percent state cut.

By keeping the cut smaller, Nixon demonstrated his commitment to higher education, Owens said.

"Given the state's projected revenue shortfalls, we appreciate the governor's support for the state's higher-education needs in this tough economic environment," he said.

MU Chancellor Brady Deaton said he "deeply appreciates" Nixon's support.

"His proposed budget will enable MU to strengthen its ability to overcome economic threats as we educate Missouri's workforce of tomorrow, ensure access to quality higher education, expand research that translates into greater health and well-being for Missourians, and attracts business and investment dollars to the state." Deaton said in an e-mail.

Missouri colleges and universities took a 5 percent budget hit last year and responded by streamlining operations and curtailing expenses, said Higher Education Commissioner David Russell.

The UM System made \$61.5 million in cost reductions last year by cutting travel and supplies and reducing positions.

Administrators have identified another \$11.3 million in cuts while preparing next year's budget, Owens said.

"Even with the efficiencies and costs reductions in place," Owens said, "this budget reduction will be significantly felt and necessitate further reductions by our campuses, challenging our ability to provide a quality education."

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## Package details UM-related funding

Hospital money shifts to Medicaid budget.

By **RUDI KELLER**

JEFFERSON CITY — Some of the University of Missouri items shown as cuts in Gov. Jay Nixon's budget package might actually help the targeted programs, while others show the permanency of past cuts.

In the fiscal 2012 budget, there are 10 items listed as "University of Missouri — Related Programs." Three are not funded in the budget; three were increased; three are the same as last year; and one was reduced.

The largest item eliminated was \$8.45 million for University Hospital. But that money wasn't really cut, said Linda Luebbering, director of the state Division of Budget and Planning. The funds were included in the Medicaid budget at the hospital's request, and the hospital will benefit from the move, she said.

Another item that gets no funding is the Missouri Research and Education Network, or MOREnet, shown as a cut of \$6.8 million from last year. But that money was withheld and never spent, and its elimination is included in the \$270.8 million of permanent cuts from last year's spending plan.

MOREnet in October reduced its work force by 11 percent after the state cut, which represented the program's entire state allocation and a fourth of its operating budget. MOREnet also gets funding from fees charged to schools, colleges and libraries that use MOREnet's Internet services, technical support and network security. MOREnet increased those fees last year to cushion the cuts.

The third, \$500,000 for the Missouri Institute of Mental Health, is being made because many of the institute's duties are being absorbed by the Missouri Department of Mental Health.

The programs that will receive steady appropriations are the State Historical Society of Missouri, the Missouri Kidney Program and the Missouri Rehabilitation Center.

The Missouri Telehealth Network's appropriation was cut by about \$157,000 to \$437,640, but that reduction also just reflects actions taken last year to reduce spending, Luebbering said.

The three receiving increases are Spinal Cord Injury Research, going from \$400,000 to \$625,000; the State Seminary Investments, a \$1 million increase to allow for the reinvestment of maturing bonds; and State Seminary Income on investments, up \$25,000 to \$275,000 to allow the spending of increased interest earnings.

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## Bills filed to address curators, redistricting

Rep. Mary Still, D-Columbia, has filed a pair of bills that would solve the problem the University of Missouri System's Board of Curators faces when Missouri loses a congressional district in 2013.

The Missouri Constitution establishes the board as having nine members. A separate state law, though, says no more than one curator can be from the same congressional district, creating a conflict when Missouri will drop to eight districts.

Still filed one bill that would allow the ninth curator to be a student with a vote; the second bill would require each congressional district to be represented on the board, with no more than two curators per district.

Rep. Mike Thomson, R-Maryville, filed a bill earlier this month that would allow at least one but no more than two curators from each congressional district.

# ST. LOUIS POST-DISPATCH

## Editorial: Enhancing the brand

Posted: Friday, January 21, 2011 12:00 am

In a commentary published in Thursday's Post-Dispatch, University of Missouri Chancellor Brady J. Deaton wrote that "MU's doors are open to anyone who qualifies to attend Mizzou, regardless of financial background."

Yes, rich or poor, all are welcome at all of Missouri's public colleges and universities — as long as they can come up with the money to pay the tuition and fees.



"IT'S NOT JUST PRICE. IT'S ALSO BRAND PERCEPTION. WHEN YOU GRADUATE, YOUR STUDENT LOAN DEBT WILL BE ALL THE MORE PRESTIGIOUS."

That's a challenge many students have been able to overcome. In recent years, the growth in enrollment at the University of Missouri's flagship campus in Columbia has been almost exclusively among students able to pay full tuition without financial aid — many of them from out of state.

Warren Erdman, a Kansas City lawyer who serves as chairman of the board of curators, suggested last week that higher tuition actually might attract students by boosting the university system's "brand perception."

A qualified Missouri high school graduate who depends on financial aid probably doesn't care much about brand perception. For many such students, the cost of a University of Missouri education may soon be hopelessly beyond reach.

The University of Missouri's Board of Curators will meet next Thursday and Friday and will set new tuition rates and fee amounts. No specific proposals have been made public, but there's no doubt that students at all four MU campuses will be paying more in the fall, perhaps more than 10 percent more.

The university's administration has presented the curators with a report outlining the "business case" for a tuition increase. It notes that the state's direct per-student support for public colleges and universities has declined 28 percent over the past decade. On Wednesday, Gov. Jay Nixon proposed a further 7 percent cut for higher education in the next fiscal year.

The report to the curators details how reduced funding has compromised the MU system's ability to maintain basic staffing and facilities. The cuts may jeopardize the system's educational and research missions, the report says.

The case is compelling but incomplete. Providing Missourians access to higher education regardless of income also is a big part of the university system's business. The curators cannot fully understand the effect of a proposed tuition and fee hike without knowing how many lower-income students it will prevent from enrolling.

Coming up with precise numbers may take some doing. But in September, the Columbia Missourian reported that Natalie "Nikki" Krawitz, MU's vice president of finance and administration, had said that students who are eligible for financial aid already are maxed out on their ability to borrow money. Such students would have "to look for alternative means," she told The Missourian.

These students had been hit with a drastic cut in Access Missouri, the state's only needs-based tuition assistance program. Mr. Nixon has proposed restoring only a small amount of the cuts next year.

"You simply cannot simultaneously raise tuition and flat line or reduce need-based aid and expect low-income students to figure it out some other way," Faith Sandler, executive director of the Scholarship Foundation of St. Louis, said. "There is no other way."

University administrators have explained in great detail why they need a tuition increase. But before the curators act on that request, they and the public need to know the social consequences of a tuition increase in similar detail. Who are the kids who will be shut out?

# ST. LOUIS POST-DISPATCH

## Missouri Energy Initiative is new think tank on energy

BY Jeffrey Tomich • [jtomich@post-dispatch.com](mailto:jtomich@post-dispatch.com) > 314-340-8320 | Posted: Friday, January 21, 2011 12:05 am

Two years ago, environmental and consumer lobbyists clashed with utility advocates over state legislation that would have furthered Ameren Missouri's plans to develop a second nuclear plant in Callaway County.

The bill ultimately died. And the St. Louis utility suspended efforts to get a permit for a second nuclear reactor. But the months of television ads, harsh rhetoric and political jockeying that characterized the debate did make a mark, providing the impetus for the Missouri Energy Initiative, a new statewide think tank for energy issues.

Roger Walker — a part-time attorney for Clayton's Armstrong Teasdale and executive director of Regform, a statewide business association focused on environmental policy — became frustrated with the tenor of the nuclear debate. The squabbling "became a catalyst for wanting to have an honest debate on energy issues," he said.

The group emerges as Missouri faces thorny questions regarding its energy future. The Legislature will again debate legislation that would further development of a second Callaway nuclear plant. The state will also grapple with how to increase energy efficient and renewable energy, while reducing dependence on fossil fuels and maintaining relatively low electricity rates, a competitive advantage for businesses.

**Walker and co-founder Gary Stacy, a University of Missouri plant sciences professor, have worked deliberately to sketch out MEI's goals, recruit board members and raise funds. (Stacy had been organizing a separate organization focused on Missouri energy research and education when he and Walker decided to combine their efforts.)**

"We've been moving slowly on purpose," Walker said. "These issues are going to be here for a long time."

The group's 14 current board members include former Gov. Bob Holden; Washington University Chancellor Mark S. Wrighton; Ron Wood, the retired chief executive of Kansas City-based energy consultancy Black & Veatch; former Congressman Kenny Hulshof; and Stanley R. Bull of the Midwest Research Institute.

Another board member, James R. Fischer of Columbia, Mo., a former university researcher, professor and dean who now runs an energy consulting firm, sees MEI as an opportunity to attract jobs and investment to Missouri by playing a part in helping shape the state's energy future.

"People won't invest in a state unless they understand the energy scenario," he said.

The group plans to issue its first white paper later this spring, an outgrowth of a Nov. 2 roundtable discussion that focused on a wide range of topics. The invitation-only gathering included representatives from energy producers and users, academia, government and labor, consumer and environmental groups.

Walker, MEI's current chairman, intends the group to be visible on key issues. The group's primary mission will be fact finding, educating the public, promoting dialogue and searching for ways to leverage energy research at Missouri institutions to benefit the state, he said.

But don't look for the organization to take a stand on controversial issues or lobby. MEI will be more than nonpartisan; it will be apolitical.

"We're not going to walk the halls" of the Capitol, Walker said. "We don't want to be seen as a special interest group for anyone."

Most operating funds will come from dues, and the group will probably seek out state and federal grants and perhaps funding from private foundations. So far, it has cash and financial commitments totaling \$150,000 — enough to hire a full-time executive director for the group's office in Jefferson City, Walker said.

MEI will interact with the public by issuing white papers, host meetings and discuss key issues and be a sounding board for state leaders on energy issues, he said. Eventually, he hopes that MEI is known well enough that state leaders will seek out its advice.

The group won't stake out positions on controversial issues, but it also won't hesitate to promote frank discussion and call out misinformation — no matter the source, Walker said.

"Someone's got to shave off the extreme positions and establish what's real and what's factual."



## University of Missouri sets carbon reduction goal

By The Associated Press

Posted Jan 20, 2011 @ 05:09 PM

COLUMBIA, Mo. (AP) — **The University of Missouri's flagship campus wants to reduce its carbon emissions 20 percent by the year 2015 as part of a national initiative.**

Columbia campus chancellor Brady Deaton was one of more than 650 college and university leaders to sign the American College and University Presidents' Climate Commitment two years ago.

School officials report an 8 percent reduction in carbon emissions from 2008 to 2010.

The university's plan calls for reducing campus coal use while increasing woody biomass use; designing more energy efficient buildings; and upgrading mechanical ventilation systems.



## Megasized Drinks: The Unhealthy Details

ST. LOUIS, Mo. (KMOX) – After Starbucks announced Tuesday its new, 31-ounce drink called the Trenta, local health experts are saying consumers may start to overlook the number of calories in the oversized beverage.

**University of Missouri nutrition expert Ellen Schuster says the Trenta is equivalent to nearly one fourth of the calories in a regular, healthy diet.**

“You’re looking at 560 calories, and 21 teaspoons of sugar in these drinks,” Schuster said.

While many consumers super-size their favorite coffee drink, Schuster suggests that consumers stick to buying regular-sized drinks and supplement it with water.