



**MU News Bureau**

*Daily Clips Packet*

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## [Auditor Faults University Of Missouri System For Handling Of Leader's Exit, Bonus Pay](#)

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[BILL CHAPPELL](#)

**Bonuses paid to executives and administrators in the University of Missouri System "may violate the Missouri Constitution," the state auditor says in a new report that details hidden bonuses, "excessive" luxury vehicle allowances — and \$100,000 in retention payments to a chancellor who resigned amid a furor, only to be rehired in a new post months later.**

"Administrators appear to have forgotten that the system is a public institution, and that they are accountable to taxpayers, students and families," Missouri State Auditor Nicole Galloway [said in presenting her report](#) on the University of Missouri System and its Board of Curators.

That former chancellor, R. Bowen Loftin, [resigned his post](#) at the flagship Columbia campus in 2015, on the same day University of Missouri System President Tim Wolfe stepped down. While Wolfe was undone by his handling of racial incidents at the campus, Loftin resigned after nine deans from nine different departments called for his dismissal in a letter they sent to the school's Board of Curators.

Despite the deans' repudiation of Loftin's leadership — they said he had created a "toxic environment through threat, fear and intimidation" — Loftin, who resigned in November of 2015, "continued to receive his full chancellor salary of \$459,000 per year through April 30, 2016," [the auditor's report](#) states. The agreement that was approved when Loftin resigned had called for him to receive a salary at 75 percent of his chancellor pay.

Detailing what the auditor calls "financial mismanagement" of the former leader's transition, Galloway says a new job was created for Loftin last May, paying him \$344,250 per year as the Director of National Security Research. When he returned, Loftin also received a \$35,000 annual stipend and a vehicle allowance of \$15,560 — nearly \$1,300 per month.

Noting that his base pay is 31 percent more than any other research administrator on campus, Galloway's report says Loftin was granted "developmental leave" almost immediately upon taking the job, giving him the rest of the year "to travel the UM System and the country to 'learn what we do'" — citing the offer letter for the job.

The auditor also found fault with the system's payment of bonuses and vehicle allowances. From the report:

"In 2015, 2016 and 2017, the Board of Curators or System President approved approximately \$1.2 million in incentive payments to top executives and administrators for their performance during the preceding years. Incentive payments were made without a formalized and clearly defined process of how the

additional compensation was to be earned, giving the appearance of year-end bonuses, which are a violation of the Missouri Constitution."

For the 2015 and 2016 fiscal years, the auditor says, the system paid some \$407,000 in vehicle allowance payments to "an average of 15 top executive and administrative positions" — a system that, in the most recent fiscal year, meant those individuals were paid an average of around \$1,240 a month.

Speaking of the wider ramifications of the university system's financial stewardship, Galloway said, "Missouri families often take on significant debt, even after spending years saving their hard-earned dollars, to send their sons and daughters to college. System leaders must work to accept responsibility for their actions and to regain the public's confidence."

Tuition at the University of Missouri did not rise for most students [last year](#), as part of a deal made with state leaders over an increase in funding. But with a new governor looking to cut the state's higher education budget, [some now say tuition hikes will result](#).

The official audit includes the university system's response, which says in part: "Nothing in the System's plan violates the state constitution or gives any reasonable appearance of doing so." The system also refers to some of the laws cited by the state auditor as being written with either the general assembly or a municipality — not the university system — in mind.

The system defended its handling of bonus pay, stating that the criteria it uses to judge job performance are "quantifiable" or "otherwise objective." To that, the auditor replied in a comment of her own, "Our review of the documentation determined the measurement criteria in place are almost entirely subjective." On the subject of vehicle allowances, the UM System said it provides the payments to executives "as one component of a compensation package," adding that the allowances "are not excessive but instead are market driven" by pay rates at peer institutions.



## [Luxury cars and "hidden payments" paid for with your tax dollars](#)

Watch story: <http://www.kmov.com/story/34678305/luxury-cars-paid-for-with-your-tax-dollars>

By Chris Nagus

JEFFERSON CITY, Mo - **If you pay taxes in Missouri, you are funding vehicle allowances for 18 executives and top administrators within the University of Missouri system.**

In some cases, those vehicle allowances exceed \$1200 per month which is enough to pay for a luxury car, fuel and insurance according to state auditor Nicole Galloway.

A total of \$407,000 was paid out in vehicle allowances in 2015 and 2016.

Galloway's office was critical of the allowances along with other perks paid out, as they were not included in "published salaries."

In a news release, Galloway stated, "Administrators appear to have forgotten that the system is a public institution, and that they are accountable to the taxpayers, students and families."

According to the audit, a total of \$2.3 million in "hidden payments" went to top administrators.

The audit also revealed former chancellor R. Bowen Loftin, who resigned in 2015, was rehired in 2016 for a newly created position titled Director of National Security Research Development.

In his original position as chancellor, Loftin received \$459,000 annually. According to the audit, he continued receiving his chancellor salary for 6 months after resigning despite having "no official duties and was not officially employed in any capacity by the university following his resignation."

Those continuing payouts totaled \$230,000

Galloway's office also revealed Loftin's new position pays \$344,000.

In addition, Galloway revealed Loftin was allowed to keep his \$100,000 retention bonus, a \$15,600 luxury vehicle allowance, a \$35,000 annual stipend with "no restrictions on its use," and a \$50,000 travel budget.

The University of Missouri responded to the audit with the following statement.

#### **STATEMENT RESPONDING TO AUDIT:**

The University of Missouri followed the provisions that were outlined in Dr. Loftin's original contract when he was appointed chancellor. In his current role as Director of National Security Research Development, he has been connecting with researchers across the University of Missouri System's campuses in an effort to bolster the university's research programs in defense, intelligence and homeland security.

Over the past year, Dr. Loftin has met with national research scientists, including those with the Office of Naval Research and the Army Research Laboratory. In those meetings, he helped to identify where UM researchers could compete for upcoming projects or programs related to improving national security.

Dr. Loftin will be evaluated this spring to assess his effectiveness and success in locating funding opportunities and partnerships for MU investigators.

University of Missouri administrators are always mindful of our responsibility to be good stewards of the tax dollars entrusted to us. For more than 175 years, MU has been a resource for the state, educating the workforce, discovering life-saving and innovative technologies, and sharing this knowledge with the citizens of the state. We could not do this without the financial support from Missouri's citizens and state government.

We will be reviewing the recent audit very carefully and taking any actions deemed necessary to improve this great university.

The University of Missouri System responded to the audit with this response.

### **State audit report confirms UM System follows sound business practices in its operations**

COLUMBIA, Mo. – An audit of the University of Missouri System released today by State Auditor Nicole Galloway confirmed that the UM System follows sound business practices and accounting standards in its operation of the state's largest public university, while identifying no significant deficiencies in internal controls. The audit's release culminates an extensive, eight-month review of a full range of the UM System's operations.

"The UM System strives to be more accountable and transparent in its stewardship of public resources," President Mun Choi said. "We will use the audit report to continue improving our business processes and our operations."

While the audit reviewed a wide range of the UM System's operations, the report's findings were limited to the University's executive compensation program. The program includes incentives that are used among peer higher education institutions, and generally do not exceed the median of the market. Under the UM System's executive compensation program, executive leaders earn a portion of their annual salary based strictly on performance.

"Our executive compensation program is critical to our capacity to attract and retain top leaders in what is an extremely competitive national higher education market," Choi continued. "Consistent with the audit report's recommendation, the UM System will continue to establish objective executive performance goals."

The UM System is a model of an efficient public institution. Using savings garnered through efficiency and effectiveness measures, the UM System campuses spend 75.3 percent of their operations budget on the core activities of teaching, research and service, compared to other Missouri public four-year universities, which spend an average of 64.2 percent.

Just last week, Standard & Poor's Global Rating, one of the nation's premier credit rating services, announced an affirmation of the UM System's high-grade AA+ credit rating. This follows the recent July rating by Moody's Investors Service, another leading credit rating agency, which reaffirmed its high-grade rating of Aa1 also with a stable outlook. These two ratings combined keep the UM System among an prestigious group of institutions. Less than 10% of the public institutions rated fall within both rating services' top two rating categories.

# MISSOURIAN

## State lawmakers respond to the state audit on UM System

TESSA WEINBERG AND MEG HILLING, 14 hrs ago

JEFFERSON CITY — State lawmakers had sharp criticism of the University of Missouri System following the release of an audit that raised questions about more than \$2 million in bonuses and other payments made by the system to top officials.

But several lawmakers who have key roles in the budget process stopped short of saying that the UM System, which already faces a multi-million dollar budget cut for the coming year, would face additional financial hits because of the report.

State Auditor Nicole Galloway released a report Monday that found the UM System had paid roughly \$2.3 million in "inappropriate bonus payments" to top executives and administrators over the past three years. The payments included \$1.2 million in incentives to 18 executives and administrators, according to the audit, which stated that the payments weren't tied to specific criteria and called them "hidden sources of compensation."

Gov. Eric Greitens issued a [strongly worded statement](#) Monday criticizing UM officials and any attempts to raise tuition to deal with state budget cuts or other shortfalls.

"I'm all for good pay for people who do a good job, but I won't support giving tax dollars to people without proven results," Greitens said. "And I definitely won't support doing that at the expense of students and families."

Greitens, who said he is meeting with officials from several universities Tuesday, acknowledged in his statement the difficulties that tight budgets create. "Leaders need to step up and make tough decisions,

especially when money is tight," he said. "But students shouldn't have to pay more for school because politicians have made bad budget decisions. And we can't and won't ask students and families to pay more so that university administrators can get raises and bonuses that they haven't earned."

The chairmen of key Senate and House budget and appropriations committees said the audit raises serious concerns.

"I want to know who approved the bonuses and why they felt it was so important to do those bonuses when it was pretty well known that we were looking at some budget shortfalls and a pretty severe loss of state revenue," said State Sen. Dan Brown, R-Rolla. Brown, chairman of the Senate Appropriations Committee, said he is reserving judgment until he learns more from the system.

"I do believe in the mission of the land-grant university and the research status that they need to do," Brown said. "But I also believe — as many other members on the Appropriations Committee believe — in transparency and that there has to be accountability to the taxpayer of how some of these funds are distributed."

Brown said he is hopeful that new leadership from the system President Mun Choi will bring positive change.

"He has a lot of hard work ahead of him, but I think he is up to the task," Brown said.

State Rep. Scott Fitzpatrick, chairman of the House Budget Committee, said that from the initial information he has seen, the audit findings are "obviously disappointing and highlight inefficiencies in the system."

Fitzpatrick, R-Shell Knob, said that while he hadn't read the full audit yet, he didn't anticipate that the audit would lead to additional funding reductions for UM as the legislature wrestles with a tight budget. "My plan is to not cut them any further," he said, while adding that putting any money back into the budget for the system may become more difficult.

Fitzpatrick said he is optimistic that change is coming.

"I'm hopeful Dr. Choi will take the audit findings and correct the inefficiencies, and hopefully we can turn the page and move forward for the state," Fitzpatrick said. "It would be ideal if the flagship university wasn't constantly having missteps, and hopefully the new leadership will correct that."

Donna Lichtenegger, chairwoman of the House Higher Education Committee, said she needs to study the audit and plans to talk with university officials.

"I think it's really essential that we have accountability within all of our campuses," Lichtenegger, R-Jackson, said. "It's hard to make a fight for the budget if I've got people who aren't showing me accountability. So hopefully they'll fix that sooner rather than later." She added that she has been impressed with Choi and believes he will address the problems.

State Sen. Caleb Rowden, R-Columbia, said he had not had a chance to read the audit yet and declined to comment.

State Rep. Chuck Basye, R-Rocheport, said that he needs more time to study the audit.

"Initially, it doesn't look real good for the university based on a lot of things," Basye said. "But there's two sides to



# **Auditor: \$2M in hidden bonuses at University of Missouri**

**JEFFERSON CITY, Mo. (AP) — The University of Missouri System has doled out more than \$2 million in hidden bonuses to administrators over the last three years and paid former Chancellor R. Bowen Loftin thousands of dollars in the months after his resignation with no work responsibility, according to an audit released Monday by state Auditor Nicole Galloway.**

The audit revealed that the system has paid more than \$1.2 million in performance incentives to top university officials without clear criteria and without notifying the public. They also have received inflated vehicle reimbursements, retention payments and housing reimbursements.

“These administrators appear to have forgotten that the university is a public institution and that they are accountable to taxpayers, students and their families,” Galloway said at a news conference.

The audit reviewed the UM System’s executive compensation following a tumultuous time at the Columbia campus. In the fall of 2015, students launched protests over the administration’s handling of several racial incidents on campus. UM System President Timothy Wolfe and Columbia campus Chancellor Loftin resigned, leaving the administration scrambling and raising questions from some lawmakers about the direction of the university.

After Nov. 10, 2015, Loftin was “not officially employed in any capacity by the university,” the audit said. He was still paid \$230,000 over six months after his resignation – the equivalent to what he would’ve earned while he was working full time. Loftin’s contract said he should receive 75 percent of his previous salary.

He also received a \$35,000 annual stipend, a \$15,560 vehicle allowance, \$100,000 in retention payments and a \$50,000 travel budget to use while on a six-month “developmental leave.”

In June 2016, Loftin was hired as MU’s director of national security research development with a salary of \$344,000. The audit says the position pays 31 percent more than the highest paid research administrator on campus, and Loftin’s duties “are not supported by the strategic plans of the UM System or the Columbia campus.”

A statement from the Columbia campus said the payments after Loftin’s resignation followed the provisions outlined in his original contract. Loftin will be evaluated in the spring for how effective he’s been in finding new research opportunities in defense, intelligence and homeland security.

The audit also found that 18 UM System administrators received nearly \$1.2 million in performance incentive payments over the last three years. The bonuses are supposed to be

distributed based on administrator performance, but the audit noted that the program's criteria for performance are unclear..

Administrators received thousands of dollars in inflated vehicle reimbursements paid to an average of 15 people over the last two years, according to the audit. Some officials received more than \$1,200 per month – the price of leasing a luxury vehicle, insurance and fuel.

UM System President Mun Choi said in a statement that executive compensation, including the performance bonuses, is “critical to our capacity to attract and retain top leaders in what is an extremely competitive national higher education market.” He said the system will work to make the practice more transparent in accordance with the audit.

Galloway, the only Democrat in the state holding an executive position, was appointed by then-Gov. Jay Nixon in 2015 to replace former auditor Tom Schweich. She is seeking re-election in 2018.

Her audit comes after a recommendation from Gov. Eric Greitens to cut 10 percent of university allocations for fiscal year 2018. Many university leaders say they could be forced to raise tuition if the recommended cuts are approved.

Greitens condemned the bonuses in a statement Monday evening.

“I’m all for good pay for people who do a good job, but I won’t support giving tax dollars to people without proven results,” he said.

Greitens said he will discuss the audit in a meeting Tuesday with several university presidents and the commissioner of higher education. The meeting had already been scheduled prior to the audit’s release, Greitens’ spokesman, Parker Briden, said.

## **ST. LOUIS POST-DISPATCH**

### **[Audit of University of Missouri System highlights issues with former Mizzou chancellor](#)**

By Ashley Jost St. Louis Post-Dispatch

*Updated at 10:50 a.m. with comments from the University of Missouri System spokesman.*

**ST. LOUIS • Former Mizzou Chancellor R. Bowen Loftin’s pay and benefits were among the four main issues cited in a critical audit report on the University of Missouri System, released Monday by Missouri Auditor Nicole Galloway.**

The system was given a rating of “fair,” the second-lowest rating on a four-tiered scale.

The audit questions whether the role Loftin negotiated for himself after he stepped down as chancellor is critical to the university’s mission.

The report also raises concerns about his \$344,250 salary, which is higher than other research administrators, as well as his more than \$100,000 budget for travel and other expenses.

Galloway also highlighted transparency and oversight issues with an incentive pay program for administrators, “excessive” spending in vehicle allowances and a legal misstep in the approval of the system treasurer’s salary.

This is the last of four audits focused on higher education that Galloway has conducted since taking office in 2015.

She announced the audits shortly after [protests centered around issues of race](#) led to the resignation of then UM System president Tim Wolfe. [Loftin stepped down the same day.](#)

While Wolfe resigned and moved away, Loftin took a new position: director of national security research development. Galloway took issue with multiple factors surrounding Loftin’s new role, including:

- His salary of \$344,250 is 31 percent higher than the next highest-paid research administrator at Mizzou, and 75 percent of what he made as chancellor.
- His role is to focus on national security or defense, but Galloway says MU lacks a strategic initiative for research in that area.

- Loftin took a paid “developmental leave” for six months to travel the system’s four campuses and the country to “learn what we do,” according to his offer letter for his job.
- He gets an annual stipend of \$35,000 in addition to his salary, plus a \$15,560 annual vehicle allowance and \$50,000 for travel costs during his leave.

“This level of compensation appears excessive for a non-critical administrative position, particularly for a position without a significant emphasis in the strategic plans for the system or the Columbia campus, and not in the best interest of the UM System, Columbia campus, or the public,” the audit states.

In a response to the audit, Mizzou leaders defended Loftin's role, saying he has met with Navy and Army leaders to find ways MU researchers can "compete for upcoming projects or programs related to improving national security."

"Dr. Loftin will be evaluated this spring to assess his effectiveness and success in locating funding opportunities and partnerships for MU investigators," according to the Mizzou statement.

#### Pay problems

Galloway also cited the university for lack of transparency and arbitrary decisions involving an incentive pay program.

In fiscal years 2015 and 2016, the years the audit covered, \$359,000 in incentive payments and \$60,000 in retention bonuses went to various administrators. But according to the audit, the executive performance measures varied and the rules for receiving incentives were, at times, arbitrary. Galloway said the bonus process relies on broad goals which, “in most cases are based on subjective information to determine if the outcomes have been achieved.”

Galloway isn't disputing the amount of the raises, but the process behind how they're given.

The university system has lost multiple administrators in the past few years to jobs that pay significantly more than most roles at the system, including former [chief financial officer Brian Burnett](#) who went to the University of Minnesota for an annual salary of \$410,000, up from his UM System salary of \$309,000.

On Monday, Wright State University in Ohio announced that the chancellor of the Rolla campus, Cheryl Schrader, had been hired as the school's next president, adding to the loss of the system CFO, two vice presidents of human resources and the chief executive of the MU Health system during the last two years.

“It's ironic that on the very day a state audit focuses on our executive compensation program, another university announces it's [hiring away our chancellor of Missouri S&T](#),” UM System spokesman John Fougere told the Post-Dispatch. “We are in an extremely competitive situation here nationally. Having our leaders leave isn't going to stabilize our situation here.”

The audit showed Burnett received \$28,500 in incentive pay for fiscal year 2016. Chancellors at campuses in St. Louis, Kansas City and Rolla received an average of \$25,500 that year. The system's top lawyer received more than \$46,000.

The audit determined that all employees eligible for incentive payments received them, and that the program is “a means to provide additional compensation rather than an incentive for high performance.”

Those incentive values aren't [factored into salary data](#) released by the system.

The university system paid more than \$400,000 in vehicle allowances to 15 executives during the two years to cover the cost of “leased luxury vehicles to each participating executive, including insurance and fuel.”

The vehicle program is described as part of the compensation package for system leaders. The payments are reported as taxable income to the government. Similar to bonus pay, that added value isn't included in salary data.

A response from the university system included with the audit states that the incentive program is an attempt to catch up to peer institutions when it comes to salaries. The response states the system will “make performance goals more objective, when appropriate,” and work on the transparency problem identified in the report.

The final issue points out that any bonus or raise for the system treasurer is required by law to be approved by the system's Board of Curators, an issue system leaders said they will correct.

# THE KANSAS CITY STAR.

MARCH 6, 2017 11:46 AM

## University of Missouri System payments to top officials questioned by state auditor

BY MARÁ ROSE WILLIAMS

[mdwilliams@kstar.com](mailto:mdwilliams@kstar.com)

**About \$1.2 million in incentive payments made to top executives and administrators in the University of Missouri System appear to have violated the state constitution, according to results of a Missouri state audit released Monday.**

The report, from Missouri State Auditor Nicole Galloway, said those payments were made in 2015, 2016 and 2017 and approved by either the board of curators or Missouri's system president.

"Incentive payments were made without a formalized and clearly defined process of how the additional compensation was to be earned, giving the appearance of year-end bonuses, which are a violation of the Missouri Constitution," the audit report said.

Most of the payments, plus roughly \$60,000 in retention bonuses, were paid to administrators "without formal Board of Curators' approval of the individual amounts," the audit report said.

"Administrators appear to have forgotten that the system is a public institution, and that they are accountable to taxpayers, students and families," Galloway said in a statement following the audit's release.

Gov. Eric Greitens also scolded the university system in a statement he [posted on Facebook](#) Monday afternoon. "We can't and won't ask students and families to pay more so that university administrators can get raises and bonuses that they haven't earned," his statement said.

“Here’s the deal: Top University of Missouri leaders (anyone with dean, president, chancellor, provost, director, chief, and chair in their job titles) already get more than \$62 million in combined annual salary,” Greitens’ post read.

“Salaries of those upper-level leaders jumped \$4 million between 2015 and 2016. So when they say that students should have to pay more, I don’t buy it.”

Greitens, who said he’s meeting Tuesday with leaders of several major universities across Missouri, added he believes that “when budgets are tight, leaders make sacrifices, not students and families.”

University officials had a different take on what the state’s audit revealed.

A university news release said the findings “confirmed that the UM System follows sound business practices and accounting standards in its operation.” The statement also said the audit identified “no significant deficiencies in internal controls.”

John Fougere, system spokesman said, “You have to look at the big picture. The university’s four-campus system is vast, a \$3.2 billion enterprise,” yet concerns targeted in the audit report were confined primarily to the executive compensation area.

In a statement, system President Mun Choi said, “Our executive compensation program is critical to our capacity to attract and retain top leaders in what is an extremely competitive national higher education market.”

Fougere noted that on the very day the audit was released, the system lost yet another top executive to a more competitive offer from another institution. Missouri University of Science and Technology in Rolla announced Monday that Chancellor Cheryl Schrader was leaving to be president of Wright State University in Dayton, Ohio.

Earlier this academic year, the CEO of MU Health Care, Mitch Wasden, announced he was leaving MU to become CEO and executive vice president of Oregon Health & Science University. “The UM System also similarly lost three other vice presidents who left for more competitive offers elsewhere,” Fougere said.

The audit report comes at a time when the university system is facing a [proposed \\$40.4 million cut](#) from its state appropriation for this fiscal year, which ends June 30. That proposed cut recommended by Greitens adds to financial woes the university has been experiencing.

The state review covered the board of curators and the UM System administration but did not include operations of the individual campuses.

Overall, the university system was given a grade of “fair” in the audit report, which was the result of an eight-month review of various areas of operations. A fair grade — one step above poor on the four-point grading scale — means system operations need improvement in some areas and that certain areas require immediate attention.

“The UM System strives to be more accountable and transparent in its stewardship of public resources,” Choi said. “We will use the audit report to continue improving our business processes and our operations.” The audit occurred before Choi officially assumed his job at the start of March.

Choi replaced interim system President Mike Middleton, who took over after former President Tim Wolfe was forced to resign in November 2015. The Wolfe resignation followed a series of racially charged student protests on the Columbia campus. The protests and the resignations soiled the university’s reputation and prompted some state lawmakers to call for its state funding to be cut.

Among other problems pointed out in the audit are what appear to be excessive vehicle allowances paid to UM System executives, and the position and salary given to former University of Missouri Chancellor R. Bowen Loftin. He resigned from the Columbia campus in November 2015 following the campus unrest that led to Wolfe’s resignation.

“A total of approximately \$407,000 in vehicle allowance payments were made to an average of 15 top executive and administrative positions during the 2015 and 2016 fiscal years,” the audit said.

After resigning as chancellor, Loftin “continued to receive his chancellor salary over the following six months, though he had no job title and no official responsibilities,” the audit says

In May 2016, Loftin became the director of national security research development at MU, a position created by Wolfe. In that position, Loftin’s \$344,250 pay — representing 75 percent of his chancellor’s salary — was “significantly higher than other research administrators,” according to the report.

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Moreover, the audit reveals that Loftin was allowed to keep additional compensation not required by his original contract, and was granted developmental leave to spend the remainder of the year traveling “with no clear objectives or deliverables required during this time,” all while receiving his salary, an additional \$50,000 travel budget, a \$15,560 vehicle allowance and \$35,000 annual stipend.

The audit report says that because the university’s incentive program and other nonsalary compensations are not included in publicly available records, transparency is eroded.

“Whatever we decide to pay our administrators, we should be as transparent about their compensation as we are for faculty and staff,” said Ben Trachtenberg, an associate law professor and chairman of the MU Faculty Council on University Policy.

University officials maintain that the system followed provisions outlined in Loftin’s original contract when he was appointed chancellor.

As director of national security research development, a position Loftin still holds, he has been connecting with researchers across the system’s four campuses in Kansas City, St. Louis, Rolla and Columbia in an effort to bolster the university’s research programs in defense, intelligence and homeland security, a system statement outlined.



## **University of Missouri defends \$2.4 million in extra payments for top administrators after critical audit**

By Rudi Keller

**University of Missouri officials and State Auditor Nicole Galloway offered different interpretations Monday of an audit questioning the legality of \$1.2 million in incentive money paid to administrators since July 1, 2014.**

"These actions show a complete lack of awareness from a group of administrators who have forgotten who they serve," Galloway said during a news conference about the audit's findings in her Jefferson City office. "System leaders must work to accept responsibilities for their actions and regain the public's confidence instead of listing off excuses."

In response, the university defended the incentive program and criticized Galloway for focusing on an off-payroll program that has paid out \$2.4 million over the past three years after spending most of last year on an audit of all system administration activities.

The incentive payments to 18 top UM System and campus administrators ranged from \$23,574 to Board of Curators Secretary Cindy Harmon to \$120,694 for General Counsel Steve Owens.

Among top administrators, only interim President Mike Middleton did not receive any incentive payments.

The payments are part of \$2.4 million in off-payroll compensation for top administrators questioned by Galloway. Incentive payments during the current fiscal year, which began July 1, included about \$230,000 for 12 system administration employees. Those payments were delivered just a few weeks after the curators were told in June that \$3.8 million in state budget cuts would force the elimination of 20 jobs in the central office.

The payments are suspect, Galloway wrote, because the criteria for awarding incentive pay are subjective and some employees do not know they are eligible until they receive their money. The Missouri Constitution bars the General Assembly from awarding extra pay to state employees or contractors for work already performed, and an attorney general's opinion from 1955 said the prohibition applies to any "government agency deriving its power and authority from the constitution and laws of the state."

Galloway said the payments amount to unconstitutional bonus pay because there were no clear guidelines or performance metrics. The lack of consistent documentation "gives the appearance the payments represent additional compensation for past performance," Galloway wrote.

"It appears that the university was using these items to boost administrators' pay without having to disclose it publicly," Galloway told reporters.

Galloway said she would conduct a follow-up audit after the UM System's fiscal year ends June 30 to determine whether the system has made progress in taking corrective action. The audit ranks the system administration and Board of Curators as "fair." Audits are ranked as "excellent," "good," "fair" or "poor."

The UM System said in a statement that the incentives are used among peer universities and don't exceed the market median. Galloway said the audit did not compare the UM System's practices with those in other states.

"I think that reasoning or excuse is pretty tone deaf given our state budget and where we are with state support for higher education," Galloway said at the news conference. "I don't think that argument holds water."

The audit also took issue with compensation for former Columbia campus Chancellor R. Bowen Loftin, which Galloway called "financial mismanagement." Former UM System Tim Wolfe approved the creation of a new position for Loftin to fill after his resignation as chancellor in November 2015 – director of national security research development. Loftin still holds that title. Interim President Hank Foley in June 2016 approved a new contract for Loftin, at 75 percent of his chancellor's salary, which was significantly higher than that of other research administrators and of his superiors. He also was granted "developmental leave" for the rest of the year, with no objectives.

"If you add it all up, it's pretty alarming," Galloway told reporters. "Think about that. Almost half-a-million dollars over the course of one year with no work responsibilities or no work product due."

The audit's findings are being released at a time of decreasing enrollment at UM's flagship Columbia campus and a tight state budget, with system officials considering tuition increases. Galloway said she did not conduct the audit to make the university look bad, but for university officials to take responsibility.

John Fougere, UM System spokesman, asked about the public perception the audit might create, said maintaining UM's reputation depends on attracting and retaining the best leaders, and the executive compensation program is critical to that in the competitive higher education market. He listed five top executives who have recently taken better-paying jobs, including Missouri University of Science & Technology Chancellor Cheryl Schrader, who became president of Wright State University on Monday.

The audit reviewed housing, relocation, automobile and retention payments in addition to incentive payments. The extra payments, some outlined in the employment contracts of top administrators, make it difficult to know the true compensation of top university officials, Galloway wrote.

The money is taxed as regular income but not included in public reports on university salaries, she wrote.

"As a result, compensation levels of the UM System's top executives and administrators are understated in public records and the transparency of system personnel costs is reduced," Galloway wrote.

In response, the university accused Galloway of nitpicking. The payments do not violate university rules or state law regarding public disclosure, the university wrote. "Despite finding no violations, the report recommends greater transparency of executive compensation. Consistent with the report's recommendation, the system will continue to work towards achieving transparency beyond what is required by the law."

Fougere said specific actions would be determined after reviewing the audit in more detail.

In addition to the \$1.2 million in incentive payments, the report detailed:

- \$180,000 in relocation payments during fiscal 2015, including \$130,000 for R. Bowen Loftin to take over as chancellor of the Columbia campus.
- \$162,680 in housing allowance payments in fiscal 2015 and 2016, with 70 percent going to University of Missouri-Kansas City Chancellor Leo Morton, who received \$57,300 each year.
- \$833,100 in retention payments in fiscal 2015 and 2016, including \$118,500 to Wolfe, \$110,000 to interim Chancellor Hank Foley and \$100,000 to Loftin. Retention payments are made early in the fiscal year after they are earned.

- \$407,094 for vehicle allowances over the two fiscal years, with the largest totals for Loftin, \$31,200, and Vice President for University Relations Steve Knorr, \$30,287.

The only off-payroll payment for Middleton listed in the report is \$8,607 for a vehicle allowance after he became interim president on Nov. 9, 2015. Galloway said the luxury vehicle allowances were unreasonable.

New President Mun Choi will be paid \$530,000. His contract allows deferred compensation of \$50,000 per year for each year he remains on duty, with a prorated payment of \$16,666.67 due in July for staying through the first four months. Choi will also receive the use of a car and the house at Providence Point. If he chooses not to live at Providence Point, he will receive a housing allowance of \$2,400 monthly.

Chancellors' contracts have similar provisions. The incentive program, outlined in university regulations for administrators without employment contracts, allows a payment of up to 10 percent of salary for meeting goals.

The housing allowance for Morton has been questioned before. When Wolfe moved out of Providence Point in 2013, he began receiving \$2,400 a month for housing. He also reviewed the compensation of other top administrators and cut Morton's allowance from \$4,775 per month to \$2,608 per month.

The audit does not say when Morton's allowance was increased to the previous amount.

# MISSOURIAN

## [UPDATED: State auditor: UM System made \\$2 million in 'inappropriate' bonus payments](#)

MISSOURIAN STAFF, Mar 6, 2017 Updated 15 hrs ago

COLUMBIA — [The University of Missouri System paid roughly \\$2.3 million in "inappropriate bonus payments" to top executives and administrators over the past three years, Missouri State Auditor Nicole Galloway said Monday.](#)

The payments include \$1.2 million in incentives to 18 executives and administrators, according to an audit of the UM System released Monday at a news conference in Galloway's Capitol office. The problem with the incentive payments was that they weren't tied to any specific criteria, meaning they were paid as extra salary like a bonus would be, she said.

Those payments, plus more than \$1 million in luxury vehicle allowances and other compensation such as retention bonuses, were not disclosed to the public, Galloway said.

In a news release, John Fougere, the system's spokesman, said the auditor's report "confirmed that the UM System follows sound business practices and accounting standards in its operation of the state's largest public university, while identifying no significant deficiencies in internal controls."

Fougere referred to the payments as part of the "executive compensation program" in the release. That compensation is on par with peer institutions, he said, and is crucial to keeping the UM System competitive. His full statement is embedded at the bottom of the article.

She said former MU Chancellor R. Bowen Loftin continued to receive his salary for six months after he resigned in November 2015. He received about \$230,000 over that span, which represented the rest of his chancellor's salary; then, starting in June 2016, he began drawing a salary as director of national security research development for MU, according to the auditor.

Loftin was allowed to keep additional compensation, Galloway said, including a \$100,000 retention bonus and an annual luxury vehicle allowance, a \$35,000 stipend and \$50,000 travel budget. All in all, Galloway said, Loftin received about \$500,000 over one year despite having "no work responsibilities or work product due."

Release of the audit comes at a time when a \$40 million cut in the UM System's state funding has been proposed for fiscal year 2018 by Gov. Eric Greitens. That follows a \$38 million cut that Greitens mandated be made by the end of June. State funding cuts, combined with declining enrollment, have led to some layoffs, early retirements, budget freezes and reductions.

At a news conference and in a news release on Monday, Galloway called for more transparency and accountability.

"These hidden sources of additional compensation amount to bonus pay, because there were no clear guidelines or performance metrics," she said in the release. "These payments must be included in compensation figures released to taxpayers so they know how their money is being spent."

Echoing Galloway's concerns, MU Faculty Council chair Ben Trachtenberg said the report should encourage the UM System to be more transparent.

He said faculty members often ask him about administrative salary, and he refers them to the salary database, which is online and open to the public. However, the problem is that the listed salaries don't include bonuses like the ones outlined in the audit.

"This report takes away from the appearance of transparency, and I think we could do a better job," Trachtenberg said.

In response to the audit, the Associated Students of the University of Missouri tweeted an official statement calling on the UM System to keep taxpayers and students in the loop when distributing money.

"We hope the university will utilize this opportunity to work with students to ensure that they are able to access accurate information about how their money is being spent," the statement read.

The statement added that the organization recognizes that many financial decisions are made to remain competitive with other universities, but the UM System must ensure money is spent wisely.

Eric Scott, a co-chair of MU's Coalition of Graduate Workers, an organization formed by graduate students in 2015 to represent them in collective bargaining, said the UM System should take this as an opportunity to improve.

"I also hope that this leads to a re-evaluation of the way pay is distributed so that we are not overpaying those at the top at the expense of those at the bottom," Scott said.

In regard to Loftin, provisions outlined in his original contract when he was appointed chancellor were followed, MU spokesman Christian Basi said in an emailed statement, which continued:

"In his current role as Director of National Security Research Development, he has been connecting with researchers across the University of Missouri System's campuses in an effort to bolster the university's research programs in defense, intelligence and homeland security.

"Over the past year, Dr. Loftin has met with national research scientists, including those with the Office of Naval Research and the Army Research Laboratory. In those meetings, he helped to identify where UM researchers could compete for upcoming projects or programs related to improving national security.

"Dr. Loftin will be evaluated this spring to assess his effectiveness and success in locating funding opportunities and partnerships for MU investigators.

"University of Missouri administrators are always mindful of our responsibility to be good stewards of the tax dollars entrusted to us. For more than 175 years, MU has been a resource for the state, educating the workforce, discovering life-saving and innovative technologies, and sharing this knowledge with the citizens of the state. We could not do this without the financial support from Missouri's citizens and state government.

"We will be reviewing the recent audit very carefully and taking any actions deemed necessary to improve this great university," Basi's statement concluded.

Reached via email Monday afternoon, Loftin said he had not had the chance to read the report.

"I am attending a US Department of Defense meeting to discuss their investments in research of interest to MU and the UM System," Loftin wrote from the Washington, D.C., area. "I cannot comment at this time."

This story will be updated as more information becomes available.



## [UM System defends incentives paid to top administrators](#)

Watch story: <http://www.abc17news.com/news/um-system-defends-incentives-paid-to-top-administrators/380309626>

By Sara Maslar-Donoar

**COLUMBIA, Mo. - University of Missouri System officials are defending more than \$2 million in incentives that they paid out in the past few years.**

"You're not going to have a stable, excellent university when your top leaders are leaving for other opportunities where they're going to get compensation packages that are more competitive," said system spokesman John Fougere.

It was announced Monday that Missouri S&T chancellor Cheryl Schrader would be leaving her position there to become the president at Wright State University. Fougere said she was offered a "more competitive compensation package" to work for Wright State.

"Chancellor Schrader's departure is only one of many in the past year," said Fougere. "We've also lost the CEO of the MU Health System and three vice presidents of finance and human resources, all for more competitive compensation packages."

Mitch Wasden is the former CEO of the MU Health System and left last February. This past November, Brian Burnett, former President of Finance, left for the University of Minnesota. Two former Vice President of Human Resources, Betsy Rodriguez and Kelly Stuck, also left this past year.

But former member of the UM System Review Board Commission, Renee Holshuf, said while a competitive compensation package may be needed to retain top administrators, the details of those packages needed to be public and transparent: something Auditor Gallaway took issue with in her audit.

"Clearly they're telling someone that they're doing this when they're recruiting but for it to have been discovered in an audit?" she said. "In an age where their feet are being held to the fiscal fire, they just have to be so very careful with that kind of thing. Be transparent. Lay it all out on the table."

When the review commission laid out its final recommendations for the review system, Holshuf said they were largely to do with transparency. She said she was disappointed that more perceived openness and transparency issues have come to light.

"Anytime anything happens with an institution, it ought to be discoverable," she said. "The university shouldn't wait for people to come searching for it either."

Fougere said the system will be using the audit as a way to improve their transparency to the public.

"If you take a look at the university system, the size and scope that we have, is everything going to be perfect? Absolutely not and there are areas we can improve on," he said. "We have a new president who is absolutely committed to making sure that we every day come out and be as accountable and transparent as we can and we'll use the auditor's report to get better."

Fougere said Monday that there were no specific plans in place to do that.



## **UM System audit reveals millions spent on 'hidden bonuses' to administrators**

**JEFFERSON CITY - Missouri State Auditor Nicole Galloway released an audit report of the University of Missouri System Monday that revealed millions in "mismanaged" funds.**

The investigation found the UM System distributed nearly \$2.3 million in hidden incentive payments to top executives and administrators, including the chancellors of the four system campuses. These incentive payments, Galloway said, were awarded without a formalized process

or clear performance metrics, and most of the individual expenditures were not formally approved by the Board of Curators.

The payments were not included in administrators' published salaries, Galloway said, reducing public transparency.

The audit also revealed what Galloway said were "excessive vehicle allowances." About \$407,000 in vehicle allowances were made to 18 top administrators of the UM System in 2015 and 2016.

Some of the vehicle allowances amounted to more than \$1,200 per month and were intended to provide for "a leased luxury vehicle, insurance and fuel."

Galloway said mileage reimbursement, rather than the UM System's luxury vehicle allowances, would have cost the state about three times less.

The audit also shows former MU chancellor R. Bowen Loftin received nearly half a million dollars from the UM System in the year after his resignation as chancellor in November 2015. Galloway said the audit revealed Loftin was granted "developmental leave" to "spend the year traveling, with no clear objectives or deliverables required during that time."

According to the audit report, Loftin continued to receive his chancellor's salary, totaling \$230,000 over a six-month period. He also received a \$100,000 retention bonus; a \$15,600 annual vehicle allowance; a \$35,000 annual stipend and a \$50,000 travel budget.

"These decisions demonstrate poor judgment and a lack of accountability in almost every aspect of the former chancellor's resignation and transition to a new position," Galloway said. "System leaders must be called on to explain how it makes sense to pay almost half a million dollars over the course of a year to an employee who was responsible for completing no actual work on behalf of the university or its students."

However, university officials said Loftin *has* been serving the university in the past year through his role as Director of National Security Research Development.

Christian Basi, MU spokesman, said in a statement, "Over the past year, Dr. Loftin has met with national research scientists, including those with the Office of Naval Research and the Army Research Laboratory. In those meetings, he helped to identify where UM researchers could compete for upcoming projects or programs related to improving national security."

Basi said the university will evaluate Loftin's performance this spring to "assess his effectiveness and success in locating funding opportunities and partnerships for MU investigators."

John Fougere, UM System spokesperson, said a strong executive compensation program is an essential tool for recruiting and retaining top university leadership in the competitive field of higher education.

"It is very telling that on the very day when the audit did focus on our executive compensation program, the news comes that a university is hiring away one of our top leaders," Fougere said.

Wright State University announced Monday it will hire Cheryl Schrader, chancellor of Missouri S & T in Rolla, as its president. Schrader was listed in the audit as having received more than \$200,000 in executive compensation payments from the UM System.

The audit comes at a time when the UM System is navigating budget shortfalls and withholds from the state legislature. Earlier this year, Gov. Eric Greitens cut nearly \$40 million from the UM System in his state budget proposal for fiscal year 2018.

A release from the UM System Monday said the audit "confirmed that the UM System follows sound business practices and accounting standards in its operation of the state's largest public university, while identifying no significant deficiencies in internal controls."

But the auditor gave the UM System a "fair" rating, which means "audit results indicate this entity needs to improve operations in several areas." The auditor's rating system includes excellent, the highest ranking; good; fair and poor.



## **Auditor: UM System paid more than \$2 million in hidden bonuses, cites lack of transparency**

JEFFERSON CITY — **Missouri State Auditor Nicole Galloway released a report of the University of Missouri System, saying more than \$2 million in hidden bonus pay was uncovered.**

The audit reviewed management operations for the Board of Curators and system administration. Galloway described inappropriate bonus payments to top executives, including incentive payments, luxury vehicle allowances and other compensation not included in published salaries.

She also found former Chancellor R. Bowen Loftin continued receiving his six-figure salary long after resigning from his position, and while providing no measurable services.

"Administrators appear to have forgotten that the system is a public institution, and that they are accountable to taxpayers, students and families," Galloway said. "Missouri families often take on significant debt, even after spending years saving their hard-earned dollars, to send their sons and daughters to college. System leaders must work to accept responsibility for their actions and to regain the public's confidence."

She stated that \$2.3 million was uncovered in hidden payments and incentives to top administrators. The amount included \$1.2 million in incentives awarded to 18 executives and administrators over the past three years. While true incentive payments are based on specific criteria to drive high performance, the audit found there was not a formalized, clearly defined process or objective metrics, making the payments appear as though they are bonuses, paid out as additional salary.

The audit also claimed the UM System paid its executives excessive vehicle allowances. Approximately \$407,000 in vehicle allowance payments were made to 18 top executives and administrators in 2015 and 2016. Many administrators received more than \$1,200 per month in vehicle allowance pay, enough, as the system states, to equal a leased luxury vehicle, insurance and fuel, the audit stated. In addition, the audit uncovered more than \$800,000 in undisclosed retention bonuses, relocation payments and housing allowances.

"These hidden sources of additional compensation amount to bonus pay, because there were no clear guidelines or performance metrics," Galloway said in a release. "These payments must be included in compensation figures released to taxpayers so they know how their money is being spent."

The audit also uncovered financial mismanagement of the University of Missouri-Columbia chancellor resignation process. R. Bowen Loftin had resigned from his position as chancellor in November 2015 and had been receiving a \$459,000 annual salary. Loftin continued to receive his chancellor salary, totaling \$230,000 over a six-month period, though he had no official duties and was not officially employed in any capacity by the university following his resignation, according to the audit.

In June 2016, chancellor Hank Foley approved a new contract for Loftin in the newly-created position of Director of National Security Research Development, with a salary of \$344,000. This amount was substantially higher than the university's other research administrators and higher than Loftin's supervisors. Under the terms of the new contract, Loftin was allowed to keep additional compensation not required by his original contract, including a \$100,000 retention bonus, a \$15,600 per year luxury vehicle allowance, and a new \$35,000 annual stipend with no restrictions on its use. He was also granted "developmental leave" to spend the remainder of the year traveling with no clear objectives or deliverables required during this time, all while receiving his salary and an additional \$50,000 travel budget.

Galloway said it was unclear how it was determined that Loftin should receive these additional benefits included in the new contract, or how it was decided Loftin should receive a half million dollars over the course of one year with no work responsibilities or work product due.

"These decisions demonstrate poor judgment and a lack of accountability in almost every aspect of the former chancellor's resignation and transition to a new position," Galloway said. "System leaders must be called on to explain how it makes sense to pay almost half a million dollars over the course of a year to an employee who was responsible for completing no actual work on behalf of the university or its students."

The UM System responded to the report, claiming the audit "confirmed that the UM System follows sound business practices and accounting standards in its operation of the state's largest public university, while identifying no significant deficiencies in internal controls."

"The UM System strives to be more accountable and transparent in its stewardship of public resources," UM System President Mun Choi said in a release. "We will use the audit report to continue improving our business processes and our operations."

Gov. Eric Greitens reacted to the audit Monday afternoon.

"That's \$2 million in extra cash and luxury vehicle allowances on top of their salaries. Worse, the bonuses weren't based on any solid numbers for performance," Greitens stated in a release. "I'm all for good pay for people who do a good job, but I won't support giving tax dollars to people without proven results. And I definitely won't support doing that at the expense of students and families."

# Missourinet

## [Scathing audit finds excessive pay for executives in MU system](#)

By Jason Taylor

**An audit of top administrators and the Board of Curators in the University of Missouri system shows more than \$2 million in hidden "bonus" pay.**

According to state Auditor Nicole Galloway, during a three year period, 18 executives were awarded \$1.2 million in incentives that weren't tied to any achievements.

18 top ranking executives also received \$407,000 in vehicle allowances during 2015 and 2016. And more than \$800,000 in unreported retention bonuses, relocation payments and housing allowances were doled out.

Galloway says the bonus payments appear to break the state constitution because they weren't tied to any incentives.

“Incentive payments are tied to measurable specific criteria designed to incentivize high performance” said Galloway. “And what we found is the system did not have that criteria in place. They didn't have those types of measurable criteria where it says ‘If you meet certain goals, you're going to earn this payment’.”

The audit shows many administrators receive more than \$1,200 per month in vehicle allowance pay to cover the cost of a leased luxury vehicle, insurance and fuel. Galloway considers this allocation excessive because reimbursement for mileage would total only a third of the cost.

The examination also revealed former Chancellor R. Bowen Lofton was paid 75 percent of his salary as well as \$200,000 in additional money after he resigned his position. Galloway implied a new contract and compensation for Lofton paid him nearly half-a-million dollars to take to a year off.

“The system in the university could not provide any documentation or provide any source of work product, any deliverables that he did, could not provide how this new contract was negotiated, the terms surrounding that contract.”

Lofton resigned under pressure after a series of racially charged incidents at the Columbia campus made national headlines in 2015.

The university says his contract required he be given a tenured position after vacating his job as chancellor. He's currently working to bolster the school's research programs in programs involving defense, intelligence and homeland security.

In a statement, the university said Lofton “will be evaluated this spring to assess his effectiveness and success in locating funding opportunities and partnerships for MU investigators”.

In 2015, Standard & Poor's credit rating service downgraded the university system's status from stable to negative following the racial unrest and Lofton's resignation. Its standing was restored to stable by the service March 1<sup>st</sup>.

Republican Governor Eric Greitens budget calls for a roughly \$150 million cut to higher education in the next fiscal year which starts July 1<sup>st</sup>. He downsized the allocation for the University of Missouri by nearly \$23 million, in addition to \$20 million which is being withheld from its budget in the current fiscal year.

Greitens released a statement Monday evening which was highly critical of higher education administrators.

“Top University of Missouri leaders (anyone with dean, president, chancellor, provost, director, chief, and chair in their job titles) already get more than \$62 million in combined annual salary” said Greitens. “Salaries of those upper-level leaders jumped \$4 million between 2015 and 2016. So when they say that students should have to pay more, I don’t buy it.”

New MU System President Mun Choi say the executive compensation arrangement is necessary to attract and retain top leaders in a competitive national market.

Galloway says her audit uncovers an alarming misuse of taxpayer money. “\$2 million in bonuses and an administrator receiving half a million in pay with no work product is disturbing and does not demonstrate accountability to taxpayers or to students.”



## University of Missouri System audit: Millions in hidden payments to top administrators

By Ryan Delaney

**Updated at 6:10 p.m. with Greitens' statement — Missouri’s auditor criticized the University of Missouri System on Monday for giving excessive bonuses and other incentives to several current and former top administrators at a time when the system grapples with funding cuts and mulls raising tuition.**

Auditor Nicole Galloway called the \$2.3 million in “hidden” payments and incentives “inappropriate” in an audit report released in Jefferson City. She also said the payments “may violate the Missouri Constitution.”

Those administrators included former Columbia campus chancellor R. Bowen Loftin, who resigned in November 2015 amid racially charged protests at the school and claims the school’s leadership wasn’t taking accusations of racism seriously. Post-resignation, Loftin was given a new, higher-paying role that he has to this day.

“These decisions demonstrate poor judgment and a lack of accountability in almost every aspect of the former chancellor’s resignation,” Galloway said in a statement. During her news conference, she said: “This one is personal for me.” Galloway holds a master’s degree from Mizzou and lives in Columbia.

The incentive payments are in line with guidelines set by the UM System's governing body, though Galloway called them “alarming” and said the program in its current form appears to violate the Missouri Constitution.

Here are key takeaways from the audit, which covered fiscal years 2014-2015 and 2015-2016 (the tail end and aftermath of former UM System president Tim Wolfe’s November 2015 resignation):

- Loftin was paid \$230,000 in salary for six months after his resignation despite not having a job title and later given a national security research and policy position by interim Chancellor Hank Foley worth \$544,600 in salary and perks. Loftin told St. Louis Public Radio that he hadn't yet seen the report, and therefore couldn't comment.
- \$407,000 in vehicle allowances paid to 18 administrators in 2015 and 2016.
- \$800,000 in undisclosed bonuses to those 18 officials, among them the chancellors of UM’s four campuses, and includes retention bonuses and housing allowances.

In all, top administrators of the UM System’s four campuses were given \$819,000 in incentives, the audit said. The Board of Curators does not directly approve incentive pay to top officials, but authorizes money for the program.

New UM System President Mun Choi defended the executive compensation system in a statement, saying it’s on par with programs at other top college networks and “critical to our capacity to attract and retain top leaders in what is an extremely competitive national higher education market.”

The UM System will set better performance metrics for top officials, Choi also said.

The University of Missouri System is facing a proposed 9 percent reduction in state funding, and its Columbia and St. Louis campuses are losing students. In February, the system’s Board of Curators suggested that tuition might need to be raised beyond the inflation rate to balance its books. Such a move would require a waiver from the state higher education commission or a legislative rule change.

Republican Gov. Eric Greitens, who proposed the budget cuts to higher education, said the auditor’s report contradicts the system’s claims it’s done all it can to cut costs.

“I’m all for good pay for people who do a good job, but I won't support giving tax dollars to people without proven results. And I definitely won't support doing that at the expense of students and families,” he said in a statement.

The auditor's report gave the entire system a "fair" rating, second from the lowest out of four rankings, which means the institution needs to improve in several areas, some needing immediate response but that there's some reluctance to change policies.

*PLEASE NOTE: Certain  
Columbia Tribune clips  
are posted in print before  
being published online.  
This is the print version of  
the story.*

SEVERE WEATHER  
AWARENESS  
**Local agencies participate  
in tornado drill**

Boone County Joint Communications and the University of Missouri will participate in a statewide tornado drill and activate sirens across Columbia, Boone County and the University of Missouri campus at 9:55 a.m. today as part of Severe Weather Awareness Week, the agencies said in news releases. The drill will be postponed until 9:55 a.m. Thursday if severe weather is detected anywhere in Missouri. If severe weather is expected to hit Thursday, the drill will be canceled.

MU said its ALERTUS beacons, which are located in lecture halls, common areas and hallways in residence halls and most classroom buildings and student unions, will be activated during the drill. Cellphone users signed up for the university's alert system will also receive a text message.

Residents who subscribe to the RAVE alert system will receive notices about the drill from joint communications, the agency said. More information on the alert system is available at Smart911.com.



## Statewide tornado drill planned for Severe Weather Awareness Week

BOONE COUNTY — Severe weather awareness week kicked off in Boone County Monday.

In a week-long effort the Boone County Office of Emergency Management hopes to bring awareness in the importance of having an emergency kit, a plan and shelter location.

"We're very susceptible to a lot of weather events here in Missouri. We're sitting in a spot where lots of storms come in," said director Terry Cassil.

On Tuesday, a statewide tornado will be held at 10:00 a.m.

**The University of Missouri will also participate in the drill. Students can expect to receive a text and email alert.**

Cassil said once residents and students hear the sirens or receive an alert, they're asked to practice their sheltering plans.

"Many times communities only get seconds of upfront information before a tornado hits," said Cassil.

It was just last week when a deadly tornado hit Perryville, killing one person.

"It's just a reminder that it can happen anywhere at anytime and we need to take heed to all those warnings that happen," said Cassil.

The Boone County Office of Emergency Management recently purchased a new alert system through Smart911.

Boone County residents can create a free account online and receive email or text notifications that includes weather and traffic alerts.

"I think the most important thing is you might not get a second chance. i think we've all been in situations where after something happened to us we've said well I really wish I would have been better prepared for that. This is a chance for us to be better prepared right now," said Cassil.

# MISSOURIAN

## [Anti-Semitic bullying of MU freshman began months ago](#)

JESSICA DENNIS, 14 hrs ago

**COLUMBIA — An MU student was nicknamed "f--ing Jew" by his roommate and another student and was harassed by them for months after asking them to stop, according to a probable cause statement and police report obtained from MU police.**

MU students Erich J. Eastman, 18, and Noah B. Rogers, 19, were arrested last Monday after posting anti-Semitic quotes in the room the victim shared with Eastman at McDavid Hall. Eastman and Rogers were both later released from the Boone County Jail after posting bond.

Police became involved in the situation Feb. 28, after anti-Semitic quotes were posted around the victim's room, including on the ceiling above Eastman's bed.

But the bullying dated back to August, the victim told police. He said Eastman and Rogers called him "f--ing Jew" on many occasions. The victim never reported the incidents to MU Department of Residential Life, and the day of the arrest is the first time the department became aware of the situation, according to the victim.

In addition, Rogers is accused of throwing a water bottle from a vehicle at the victim's head as he was walking on a sidewalk on campus. The bottle hit the victim's head, and Rogers shouted a slur from the car window, according to the police documents.

The MU police report and probable cause statement, released to the *Missourian* Monday, refers to the assault as a hate crime, under [Missouri Revised Statute 557.035](#). The victim said he would like to press charges for the incident involving the water bottle.

The notes posted in the dorm room referred again to the victim's faith in a derogatory way. The police report refers to the speech as first-degree harassment under [Missouri Revised Statute 565.090](#).

Both of the students accused are music majors and members of the Phi Mu Alpha Sinfonia music fraternity at MU. March 1, the fraternity released a statement condemning the students' actions.

The victim is also a freshman music major at MU.

Last week, Interim Chancellor Hank Foley released [a statement condemning the harassment](#). "This behavior is abhorrent and antithetical to our core value of respect," Foley said. "It simply will not be tolerated."

The case was sent to the Boone County Prosecuting Attorney's Office, where it is under review. It's unclear whether charges will be filed, but in the past, [prosecutors have allowed people charged with a hate crime to plead to a lesser offense](#).

The case was also referred to MU's Office for Civil Rights and Title IX, where the "students could face disciplinary action, up to and including expulsion from the university," Foley said.

The alleged hate crime came to light as anti-Semitic crimes have made national news, including bomb threats at Jewish community centers and desecration of Jewish cemeteries in cities including St. Louis and Philadelphia. A St. Louis man [was arrested last week and charged in connection](#) with several threats to Jewish community centers.

# ST. LOUIS POST-DISPATCH

## Missouri S&T chancellor takes college president job in Ohio

By Ashley Jost St. Louis Post-Dispatch, 21 hrs ago

**ST. LOUIS** • Missouri University of Science and Technology Chancellor Cheryl Schrader is moving on.

Wright State University in Ohio announced Monday that [Schrader will be the school's first female president.](#)

**That makes two chancellor spots that University of Missouri System President Mun Choi has to fill; the other is at Mizzou. Choi said in a statement that he will work with campus leaders to develop plans on interim leadership during the coming months.**

Schrader has been at Missouri S&T since 2012, and was the Rolla campus' first female chancellor.

In Choi's statement, he lauded Schrader for growing S&T's enrollment by 16 percent, faculty members by 18 percent, boosting patents filed by 59 percent and gifts by 26 percent.

“It has been a tremendous privilege to lead Missouri S&T over the past five years, and I'm very proud of all we have accomplished to position our institution as a top return on investment among the nation's research universities,” Schrader said in a statement. “I'm truly indebted to our strong leadership team and the wonderful students, alumni, faculty and staff of Missouri S&T, because it is their contributions that have made this such a great university and will continue to make S&T a leader in higher education for years to come.”

Prior to Rolla, she worked as the chief research administrator at Boise State University. Schrader is also an electrical engineering professor and researcher.

# The Chronicle of Higher Education

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## New Travel Ban Still Sows Chaos and Confusion

### NO MU MENTION

*By Karin Fischer March 6, 2017*

A long-anticipated executive order restricting travelers from a half-dozen predominantly Muslim countries is likely to bring little certainty to American college campuses.

The [new order](#), which replaces a measure [put on hold](#) by a federal appeals court nearly a month ago, imposes a 90-day ban on issuance of new visas, including student visas, to citizens of six countries — Iran, Libya, Somalia, Sudan, Syria, and Yemen. But it will allow free travel to those who hold current visas.

While the reissued ban provides some reassurance to students and scholars already on campus that they can travel freely, it offers little guidance to those seeking to enroll for the first time this coming fall.

Although the order directly affects a relatively small number of international students — those from the six named countries make up about 15,000 out of more than one million now studying in the United States — its impact on [perceptions abroad](#) of American openness could be much farther-reaching.

The new order and the one it replaced, which was challenged in court partly on grounds that it harmed public universities in Washington State and Minnesota, are nothing short of twin bombs dropped in the heart of admissions season, sowing chaos and confusion in their wake.

"There are a lot of unknowns, a lot of anxiety," says Ahmad Ezzeddine, associate vice president for educational outreach and international programs at Wayne State University, which currently has roughly 130 students and scholars from the affected countries.

The new order is also likely to end up in court. Stephen Yale-Loehr, a professor of law at Cornell University who specializes in immigration law, called the revised order "essentially old wine in a new bottle." He said he expected litigation to continue.

Washington's attorney general, Bob Ferguson, said in a news conference that he would probably decide by the end of the week what legal action the state should take. ***Story [continues.](#)***