



Friday, April 14, 2006

Budget compromise in sight

MOHELA plan

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JEFFERSON CITY, Mo. — Two construction projects at Northwest Missouri's universities are apparently safe from further efforts to cut them, under a partial compromise on the proposed sale of state student loan assets.

But a plan to help pay off a new women's prison in Chillicothe, Mo., could cause a showdown between the House and the Senate in these closing weeks of the Legislative session.

Republican House leaders introduced a capital improvements bill late Wednesday that offers yet another way to divvy up the expected \$450 million from the sale of part of the Missouri Higher Education Loan Authority, better known as MOHELA.

Gov. Matt Blunt had proposed the sale in January as a way to accomplish long-delayed construction projects at the state's higher learning institutions. But as the session progressed, the House called for more of the money to go toward scholarships and debt reduction.

The plan restores full funding for capital improvements at colleges and universities, including \$30.4 million for a math and science building at Missouri Western State University in St. Joseph and \$11.7 million for a biologics center at Northwest Missouri State University in Maryville, Mo. The House plan also calls for \$18 million for improvements at community colleges.

That puts the House, the Senate and the governor's office all more or less on the same page in funding university projects.

"As far as the bricks and mortar, I think all three groups will be happy with this bill," said House Budget Chairman Rep. Allen Icet, R-Wildwood.

But Mr. Icet cautioned that the bill was not a "true compromise" but only a "step in that direction." One major source of contention could be another potential benefit for Northwest Missouri — the Chillicothe women's prison.

The new House plan calls for \$75 million in MOHELA money to offset the \$120 million in bonds the state plans to issue to pay for the prison. That way, the state could avoid incurring about 60 percent of that debt.

Originally, the House had planned to use the \$75 million to pay off some of the state's existing debt. The new plan of "debt avoidance," rather than debt repayment, "made a little better business sense," said House Speaker Rod Jetton, R-Marble Hill.

But he's still not sure the plan will fly in the Senate, which wanted to use the debt money to instead fund a series of health care initiatives.

"I don't think anybody's under any illusions," Mr. Jetton said. "We're going to probably pass our version, they're going to change it and pass their version. And then we're going to sit down and work it out."

Sen. Charlie Shields, R-St. Joseph, called the agreement on the capital improvement projects a "huge step forward." He predicted that at least some of the Chillicothe debt money would eventually go toward the Senate's health care proposal.

"I think we're close to reaching some level of agreement, but now we have to run a bill through the process," he said.

A final compromise must be reached by the state's May 5 budget deadline.