



PRESS RELEASE

State Senator Wes Shoemyer – 18th District

State Capitol – Room 434
201 West Capital Avenue
Jefferson City, MO 65101-6806
Phone: (573) 751-7852

**For Immediate Release:
January 29, 2009**

SHOEMYER'S MOHELA PREDICTION COMES TRUE *College Construction Projects Cancelled Due to Lack of Funds*

JEFFERSON CITY – Senator Wes Shoemyer, D-Clarence, says the inability of the Missouri Higher Education Loan Authority (MOHELA) to make scheduled payments to the state as required by legislation approved in 2007 means many college construction projects will be eliminated.

In 2007, Governor Blunt promoted a plan to sell \$350-million in MOHELA assets to fund construction projects on university and college campuses across the state. During debate on this scheme, Sen. Shoemyer warned his colleagues in the Senate that there was no guarantee that the projects to be funded by the sale of MOHELA assets would actually receive any money. Shoemyer also expressed concern that the sale of MOHELA assets would make it more difficult for the agency to make loans to college students, which is why the General Assembly created MOHELA in the first place.

“Unfortunately, my prediction has come true,” Sen. Shoemyer said. MOHELA has delayed several quarterly payments it is required to make to the state, building up a \$12.5-million IOU. In 2008, MOHELA recorded its first loss in the agency’s 27-year history, forcing it to cut staff positions and reduce its lending to out-of-state college students who want to attend college in Missouri. Of the \$350-million promised by the Blunt administration for campus construction projects, the state has received just \$240-million from MOHELA, leaving a \$108-million shortfall.

Construction projects that are underway will continue to be funded through the money MOHELA transferred to the state shortly after the legislation passed in 2007, but projects that have not broken ground are being eliminated or postponed, including the renovations to the Pershing Building at Truman State University in Kirksville, construction of a UM Plant Science Building in Mexico and the development of the UM Greenley Learning and Discovery Park in Novelty, in Knox County.

“Truman State was promised \$21,558,000 to renovate the Pershing Building and to build an addition for nursing, communications disorders, health science and exercise science programs,” Sen. Shoemyer said. “It now looks as though this important project will not happen.”

In 2007, Sen. Shoemyer offered a substitute to Governor Blunt’s MOHELA plan which would have transferred 1.5-percent of MOHELA’s assets to the state each year, with the money used to increase funding for certain scholarship programs. That would have freed up General Revenue funds for debt service on bonds to be used for campus construction without jeopardizing the mission of MOHELA. However, most alternatives that were offered were quickly rejected.

“In the end, after many hours of debate I ended my filibuster only after receiving assurances that Truman State University and other important projects in my district would receive a share of the MOHELA proceeds,” Sen. Shoemyer said.

Shoemyer says he received a letter this week informing him that the project at Truman State would not be receiving any money, and that the research projects in Audrain and Knox counties also would likely be killed.

“Two years ago I said I didn’t want this to turn into another 15-year highway plan in which communities across the state were promised new roads, and then were disappointed when the money ran out,” Sen. Shoemyer said. “It seems like history is repeating itself and a lot of the promises lawmakers made to communities across the state just two years ago will be broken. I wish the folks who pushed this scheme had listened to our concerns. These broken promises erode the confidence the people have in the folks they’ve elected to represent them.”

Sen. Shoemyer says he is very disappointed the projects in his district and many other important projects across Missouri are being eliminated. Shoemyer says he and others are watching to see how the federal stimulus bill takes shape in the hope that some of those dollars might be used for investments in research.

###