



Tab 6 FY 2025 Budget Instructions

Coordinating Board for Higher Education
June 14, 2023

BACKGROUND

One of the primary responsibilities of the Department of Higher Education and Workforce Development is the development of a unified appropriation request for the public colleges and universities. Although the law technically assigns the responsibility to the department, approval by the Coordinating Board of those recommendations is a critical step in the process.

- Section 173.1540, RSMo, requires DHEWD review annual budget requests from each public university and prepare a corresponding appropriation recommendation.
- Section 163.191.2, RSMo, requires DHEWD review annual institutional budget requests and prepare an appropriation recommendation for the community colleges.
- Section 178.638, RSMo, requires the inclusion of funds designated for State Technical College of Missouri in the unified budget request.

In order to implement those provisions, § 173.005.2, RSMo, requires the Coordinating Board for Higher Education establish guidelines for appropriation requests by public institutions of higher education.

CURRENT STATUS

At the March CBHE meeting, MDHEWD staff proposed a preliminary plan for requests for funding for public higher education institutions. Based on the feedback received, particularly related to the Operating Core item, the following is the revised plan for those requests, ranked in order of priority.

1. **Institutional Operating Core:** MDHEWD staff plan to recommend an increase to core operating appropriations. Staff is not prepared to offer a specific approach at the present time, in part because the results of the ongoing study of higher education funding and efficiency and the broader interest in adopting a new funding approach are unknown currently. Once the report is released, department staff will work with institutional representatives to determine the models viability and, based on that process, recommend a specific funding approach at its September meeting.
2. **MoExcels:** For the past several budget cycles, MDHEWD has highlighted the need to focus on strengthening our workforce development pipeline through the MoExcels process. The continuing challenges in the economy and workforce make an ongoing response important. This item would solicit institutional proposals (which has already occurred), developed in collaboration with business and industry, for one-time increases to establish or expand academic programs linked to high-demand occupations. As in the past, all proposals will be scored by a review team and the resulting ranked list of projects will be included in the budget items to be approved by the Coordinating Board in September.
3. **Maintenance and Repair:** Given the level of deferred maintenance on every public college and university campus, staff plan to recommend additional ongoing funding for all public institutions. The final approach has not been determined but it is anticipated the recommendation will be for a percentage increase based on either core appropriations or total facility value.
4. **Missouri Returning Heroes:** The statute that establishes the Missouri Returning Heroes Education Act allows the Coordinating Board to include in its appropriation recommendations the amount of tuition waived during the prior fiscal year by public colleges and universities pursuant to the act. For the first

time, this request was funded for FY 2024 at up to 50 percent of the tuition waved in FY 2022. Department staff plan to continue to request the data necessary to include this request for FY 2025.

5. **New Decision Items:** Institutions can submit requests for funding for new decision items. Institutional NDIs will not be formally entered into the budget process. The CBHE may opt to elevate some of those NDI requests for inclusion in the formal budget request.

Institutions are likely to still be focused on completing ARPA funded capital improvement projects during FY 2025. MDHEWD will not include a list of recommended capital improvement projects in the FY 2025 unified higher education budget request but will continue to work with the Governor's Office and the General Assembly on a project-by-project basis, as needed. Institutions should continue to report all capital projects through the CIBR system so that project information is available if the legislature determines there are funds for this purpose.

NEXT STEPS

Following the June board meeting, budget instructions will be sent to public institutions' chief financial officers. Budget requests will be due to the department by Friday, August 4, 2002. Based on the requests received, the department will prepare an action item for the CBHE to consider at its September meeting.

RECOMMENDATION

This is an information item only.

ATTACHMENTS

- None