



Tab 17  
**FY 2024 Public College & University Operating Budget  
Recommendations**

Coordinating Board for Higher Education  
September 14, 2022

## **BACKGROUND**

Section 173.1540, RSMo, requires public universities to prepare annual budget requests and submit them to the Department of Higher Education and Workforce Development. The department is required to review those requests and prepare unified appropriation recommendations. Section 163.191.2, RSMo, contains a similar provision pertaining to the appropriation of state funds to community colleges. Section 178.638, RSMo, indicates that “all funds designated for [State Technical College] shall be included in the coordinating board’s budget request.” Although the law assigns responsibility to the department – at least for the public universities and community colleges – the department’s practice has been to seek the Coordinating Board’s approval of those recommendations.

## **CURRENT STATUS**

Earlier this year, the department developed and solicited feedback on specific priorities for the FY 2024 institutional budget requests. The FY 2024 draft budget instructions were first published on the department’s website as a part of the CBHE’s March 9, 2022, meeting materials. These draft instructions were later modified based on input for college and university leadership and finalized during the CBHE meeting on June 15, 2022. The instructions were sent to the public institutions’ chief financial officers (CFOs) on July 19th with a reminder to submit any new decision items and other budget materials by August 5th. On July 14th, State Budget Director Dan Haug released the official FY 2024 budget instructions.

The following items are structured around the priorities established as part of the budget instruction document and for the consideration of the CBHE for inclusion in the department’s formal FY 2024 budget request. Additional institution requests are provided for informational purposes only and will not be submitted as a part of the department’s formal FY 2024 budget request unless the CBHE chooses to include them.

- 1) **Institutional Operating Core:** DHEWD staff recommend an across the board percent increase to core operating appropriations (base plus). Staff recognize that on a fiscal year basis (July to June), the increase in the official Consumer Price Index for all urban consumers (CPI-U) from July 1, 2021 until June 30, 2022 is 8.5 percent. An increase of that magnitude would be both historical and unprecedented and it is the staff belief that such a recommendation could result in negative reactions.

Based on this situation, staff recommend an increase of 7.0 percent. While this clearly does not match the CPI increase, it does continue the recent trend of substantial increases to the institutions’ operating core and should be sufficient to provide support for expected levels of salary increases. This inflationary factor is applied to each four-year institution and State Technical College of Missouri’s base core appropriation in order to determine the amount of the new decision item. For community colleges, the inflationary factor would be applied to the total core state appropriation to the sector, with the result constituting the related new decision item.

Attachment A includes a breakdown by sector. A total increase of \$11,330,433 is recommended for community colleges; \$58,874,242 for public universities; and \$592,481 for the State Technical College of Missouri. The combined total new decision item for all three sectors is \$70,797,156.

- 2) **MoExcels:** For the past several budget cycles, DHEWD has highlighted the need to focus on strengthening our workforce development pipeline through the MoExcels process. The MoExcels process solicits institutional proposals, developed in collaboration with business and industry, for one-time increases to establish or expand academic programs linked to high-demand occupations. The pandemic has further elevated this need as we recover from the resulting economic disruption.

In previous requests for MoExcels funding, this agenda item included a request for a dollar amount based on specific projects proposed by public institutions. This year detailed project information will be available in time for the October 1 submission deadline for our budget request. To see detailed information about proposed projects, see Attachment E. The department is requesting \$50.3 million for the FY 2024 MoExcels projects.

- 3) **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. Contained in Attachment B are the amounts of tuition waived during FY 2022 in compliance with this statute, as reported by public colleges and universities. The total requested is \$1,145,602.
- 4) **Institution-Specific Requests:** Institutions can submit requests for funding for new decision items. Attachment C to this agenda item details the requests received by DHEWD. Institutional NDIs will not be formally entered into the budget process. The CBHE may opt to elevate some of those requests for inclusion in the formal budget request.

#### **Other Department Budget Requests:**

Administratively, the department's budget includes funding for the State Historical Society of Missouri. This state entity has its own governing board and the recommendation is to pass along their requests to the governor and the General Assembly. They have requested the following decision item:

- 1) \$531,881 is requested to help cover employee salary and benefit cost increases.

#### **NEXT STEPS**

The Coordinating Board's recommendations become "department recommendations," which are submitted to the Office of Administration's Division of Budget & Planning by October 1. Budget and Planning then compiles requests for the governor and his staff to review. The governor decides whether to include department recommendations in his or her executive budget, which is released in connection with the State of the State address in late January or early February.

#### **RECOMMENDATION**

Staff recommend that the Coordinating Board approve the budget requests described above for submission to the governor and General Assembly and as described in Attachments A, B, and C.

#### **ATTACHMENTS**

- A. Institutional Core Inflationary Increase
- B. Returning Heroes Reimbursement Request
- C. FY 2024 Public College and University New Decision Items

**Tab 17 Attachment A**  
**Institutional Core Inflationary Increase**

**FY 2024 Institutional Core Increase of 7%**

<b>NAME</b>	<b>CORE APPROPRIATION</b>	<b>7% INFLATION</b>	<b>NEW CORE</b>
COMMUNITY COLLEGE APPROPS	<b>161,863,323</b>	<b>11,330,433</b>	<b>173,193,756</b>
STATE TECHNICAL COLLEGE OF MO	<b>8,464,011</b>	<b>592,481</b>	<b>9,056,492</b>
UNIVERSITY OF CENTRAL MO	60,486,063	4,234,024	64,720,087
SOUTHEAST MO STATE UNIVERSITY	50,146,167	3,510,232	53,656,399
MISSOURI STATE UNIVERSITY	102,742,970	7,192,008	109,934,978
LINCOLN UNIVERSITY	19,222,539	1,345,578	20,568,117
LINCOLN UNIV LAND GRANT MATCH	9,761,158	683,281	10,444,439
TRUMAN STATE UNIVERSITY	45,534,649	3,187,425	48,722,074
NORTHWEST MO STATE UNIVERSITY	34,086,363	2,386,045	36,472,408
MO SOUTHERN STATE UNIVERSITY	28,374,099	1,986,187	30,360,286
MO WESTERN STATE UNIVERSITY	24,315,659	1,702,096	26,017,755
HARRIS-STOWE STATE UNIVERSITY	11,434,137	800,390	12,234,527
UNIV OF MISSOURI CAMPUSES	454,956,797	31,846,976	486,803,773
<b>Universities Subtotal</b>	<b>841,060,601</b>	<b>58,874,242</b>	<b>899,934,843</b>
<b>Total</b>	<b>1,011,387,935</b>	<b>70,797,156</b>	<b>1,082,185,091</b>

\*Consumer Price Index for all urban consumers (CPI-U) from July 1, 2021 until June 30, 2022 is 8.5 percent. Based on this situation, staff recommend an increase of 7 percent.

**Tab 17 Attachment B**  
**Returning Heroes Reimbursement Request**

**Higher Education Institutions FY 2024 Requested**

<b>Institutions</b>	<b>FY 2024 Request</b>
Crowder College	\$466
East Central College	\$0
Jefferson College	\$1,454
Metropolitan Community College	\$16,584
Mineral Area College	\$3,358
Moberly Area Community College	\$1,869
North Central Missouri College	\$0
Ozarks Technical Community College	\$38,100
St. Charles Community College	\$3,864
St. Louis Community College	\$1,532
State Fair Community College	\$8,335
Three Rivers College	\$850
Community College Subtotal	\$76,412
State Technical College of Missouri	\$8,958
University of Central Missouri	\$90,702
Southeast Missouri State University	\$87,741
Missouri State University	\$130,628
Lincoln University	\$0
Truman State University	\$0
Northwest Missouri State University	\$18,222
Missouri Southern State University	\$31,047
Missouri Western State University	\$14,382
Harris-Stowe State University	\$0
University of Missouri	\$687,510
Public Universities Subtotal	\$1,069,190
All Institutions	\$1,145,602

**Tab 17, Attachment C  
 FY 2024 Public College & University New Decision Items**

Per statute, institutions can submit requests for funding for new decision items. NDIs will generally be part of the department's informal communication about budget requests, not formally entered into the budget process. The CBHE may opt to elevate some or all of those NDI requests for inclusion in the formal budget request. Staff will not rank NDIs included in informal communications.

FY 2024 requests received from institutions for consideration by the CBHE are as follows:

<p><b>University of Missouri</b></p>	<p><u>Inflation Increase on Core</u> -- \$40,946,112 (based on a 9% inflationary increase) is requested for the University's plans to participate in the core appropriations increase requested by DHEWD. Inflationary core increases will be requested for each mission area. Tuition increases continue to remain well below inflation, this additional support is vital to continuing to provide affordable, quality education and research in a rising inflationary environment.</p> <p>Alzheimer's Program - \$637,120 is requested for research funding and related administrative costs as allowed for in state statute.</p> <p>Missouri Kidney Program - \$30,000 is requested for state general revenue funds to increase the core budget that is necessary to cover compensation increases required in FY 2024 to maintain tenured staff during time of unprecedented changes in job market.</p> <p><b>State Historical Society</b> - \$531,881 is requested to help cover employee salary and benefit cost increases. SHSMO requests recurring funds of \$220,666 to provide employees with a 9% cost of living increase. An additional \$311,215 is needed to hire 5 new archivist positions at the Kansas City, St. Louis, Rolla, Cape Girardeau, and Springfield research centers.</p>
<p><b>Lincoln University</b></p>	<p><u>Critical Deferred Maintenance</u> -- \$10,000,000 is requested to help Lincoln catch up on deferred maintenance as they've suffered significantly as a result of the state underfunding the land grant over many years. Until 2017, LU was pulling the required federal match for land grant funds for their core appropriations, resulting \$43 million in funds not being available for needs like these facility maintenance and repair projects. As a result, LU now has over \$90 million in deferred maintenance for these state facilities. In the summer of 2022, 1/3 of the campus HVAC systems experiences some type of failure. Water infiltration issues are significant across the campus, which was founded in 1866. Additionally, a structural study of the facilities in spring of 2022 resulted in 9 facilities/areas needing significant investments, some of which involve life/safety issues that LU can't address with an annual facilities budget of \$600,000, increased from \$300,000 in FY22. Local high schools have much better science labs than LU. LU also has numerous ADA compliance issues across the aging campus. In some cases elevators need replaced and in other, elevators and ramps need to be made available as well as bathrooms updated for ADA compliance. While LU did receive some increased funding, land grant funds are not for educating students nor can they be used for</p>

	<p>campus educational facilities. Other core increases received are far below inflationary increased for ongoing costs.</p>
<b>Truman State University</b>	<p><u>Core Inflation</u> -- \$3,870,445 is requested for inflationary costs (base on 8.5% inflationary increase) that includes an increase in the MOSERS rate, higher insurance rates, and the Missouri minimum wage hikes that impacts operating costs.</p> <p>Maintenance and Repair Funds-- \$3,250,000 is requested for Maintenance and Repair needs. Renovation and repairs will focus on zoning structures for multiple users so they can be operated more efficiently during different periods of use.</p> <p><u>Online Accounting Program</u> - \$435,000 is requested to provide start-up funds to hire additional faculty and support staff to develop courses for an online masters in accounting program.</p> <p><u>Student Success/SKILLS Center</u> - \$525,000 is requested to provide operational funds for the new Student Success/SKILLS Center in Kirk Building, which is being renovated utilizing the recent capital funds appropriated for FY 2023.</p> <p><u>Rural Telehealth Counseling Center</u> - \$200,000 is requested to help provide much needed counseling services in northeast Missouri and other rural areas of the state. Funds would be utilized for staff, equipment, and related overhead for the center.</p>
<b>Northwest Missouri State University</b>	<p><u>Central Steam Plant – Phase 2</u> -- \$16,239,870 is requested for costs to continue on the central steam plant that provides heat and hot water utility to 1.7 million sq. ft. of core campus facilities. The requested amount is based on professional opinion from engineering firm and internal departmental estimation.</p> <p><u>Technology Center</u> - \$8,254,961 is requested for consolidating all elements of the IT units within the Technology Service Center through expansion or replacement of the John Rickman facility. Northwest would relocate and expand our Learning and Teaching Center within the Owens Library to implement an instructional laboratory that will enable faculty to practice optimal approaches to online, virtual, and digital curriculum. Northwest has invested significant planning in the relocation of this Center, which includes management of Northwest Online, in order to handle the dramatic increase in online degree enrollment and professional development related to advanced digital learning strategies.</p>
<b>Missouri Southern State University</b>	<p><u>Bachelor of Science in Entrepreneurship</u> - \$328,355 is requested for Missouri Southern Bachelor of Science in Entrepreneurship program. The university has expanded the existing academic entrepreneurship program to include a Bachelor of Science in Entrepreneurship. This program was developed in light of an increased, and sustainable, interest in entrepreneurship. This program will facilitate MSSU's regional distinction as an innovative leader in entrepreneurship education but more importantly help students identify their potential as well as opportunities in this critical field.</p> <p><u>Master of Science in Health Care Administration</u> – \$463,749 is requested for Missouri Southern State University as they will offer a Master of Science in Health Care Administration beginning fall 2023. This program will facilitate the establishment of MSSU as the regional leader and a nationally recognized University in Health Administration and Management. The projected job growth and income for Health</p>

	<p>Administrators is listed third by the US Bureau of Labor Statistics and should attract both regional and non-regional traditional and non-traditional students. The evolution of health care over the next 20 years will include a greater emphasis on managing the health of populations and community-based health. Population change in the United States includes projected growth of individuals 65 years and older at 50% while total population growth comes in at 11%.</p> <p><u>Master of Science in Data Analytics</u> - \$415,000 is requested for Missouri Southern State University as they propose to develop and implement a Master of Science in Applied Data Analytics degree with possible tracks or graduate certificates in business, healthcare administration, and criminal justice housed within the new Center for Applied Data Analytics (CADA). Space in Plaster Hall on campus has been designated for renovations to accommodate CADA. Both the academic program and the Center will be built through collaboration with area and regional industry partners. Student learning outcomes and curriculum will be determined by the current and future needs of potential employers. Requested support from industry partners will include potential internships and projects for students, as well as large "scrubbed" data sets for faculty to use in courses. Possible research opportunities for faculty and industry partners would be to work together to develop best practices in the gathering and analysis of data, but also in developing best practices for communicating and "storytelling" of the results and recommendations to management. Other outcomes of MSSU/industry collaboration could include training for existing employees to update their skill sets in gathering and analyzing data, to understand basic statistics and data testing, and to learn the newest platforms for data visualization.</p>
<p><b>University of Central Missouri</b></p>	<p><u>UCM Farms-Sustainability Initiatives and Infrastructure Modernization</u> - \$670,000 is requested for program expansion that will be used to fund sustainability initiatives and infrastructure modernization at the two University of Central Missouri farms.</p>
<p><b>Mineral Area Community College</b></p>	<p><u>Allied Health Program</u> - \$251,500 is requested for needed support in phlebotomy, Psychiatric technician, C N A. Grant funding was received prior to COVID. With budget cuts and enrollment decreases due to COVID, additional funding is needed for personnel costs and additional equipment/supplies/consumables. Personnel includes a full time instructor, and a part time CNA examiner, and a full time administrative assistant. Personnel also includes an enrollment specialist/recruiter of these new programs. This will help meet the needs of local employers. Funding is crucial to sustain the economic development of our geographical area.</p> <p><u>HVAC/Electrical Technology</u> - \$230,000 is requested for program expansion to provide equipment/supplies/consumables and personnel costs that grant funding was received to construct a building to house HVAC/electrical technology.</p> <p><u>Computer Networking</u> - \$281,000 is requested for program expansion. The college is part of the CISCO networking academy and the additional funding would be used to enhance the offerings of this program to include cyber security and fiber optic technologies into the curriculum. Funding is still needed to provide equipment/supplies/consumables and personnel costs. Personnel needed includes two full time instructor. Networking professionals are in demand in our area with a skill set that includes cyber security and fiber optics to provide support for broad band services being</p>

	<p>implemented in our service region. Funding is crucial to sustain the economic development of our geographical area.</p> <p><u>Expansion of Outreach Center Services</u> - \$144,000 is requested to help enhance financial aid services, advising, career placement, recruitment, and retention of students in the three rural outreach center locations. Seeking two full-time positions that include financial aid advisor, career planning, and advising that would cover all three centers on a rotating basis. Funding is requested for travel expenses, office equipment, and consumables.</p>
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