



## Tab 20 FY 2021 Public College & University Operating Budget Recommendations

Coordinating Board for Higher Education  
September 11, 2019

### BACKGROUND

Section 173.1540, RSMo, requires public universities to prepare annual budget requests and submit them to the Department of Higher Education. The department is required to review those requests and prepare appropriation recommendations. Section 163.191.2, RSMo, contains a similar provision pertaining to community colleges' budgets. 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 a structure and specific priorities for the FY 2021 institutional budget requests. The department solicited feedback on the proposed structure for the FY 2021 institutional budget requests from presidents, chancellors and chief financial officers (CFOs). Commissioner Mulligan sent presidents a proposed prioritized list of common new decision items on April 2, 2019. This prioritized list was also sent to the CFOs and vetted during their quarterly meeting on April 25, 2019. CFOs were again invited to discuss the FY 2021 proposed budget structure during their July 10, 2019, quarterly meeting. On July 10, 2019, the State Budget Director released the FY 2021 budget instructions which were provided to CFOs and presidents. A follow-up email regarding the August 1, 2019, deadlines was sent on July 10, 2019 to the CFOs.

The following are the recommendations for increases in appropriations for institutions. Generally, they are listed in priority order with one exception. The public universities have listed their first priority as performance funding. The Community Colleges elected to make True Up funding their top priority. Other than these exceptions, the following list is in priority order.

1. **Performance Funding:** This recommendation is for an FY 2021 appropriation request based on the CBHE adopted performance funding model. Amounts appropriated through this process will be incorporated into the institution's core budget in FY 2022.

On August 20, 2018, the Missouri Community College Association (MCCA), the Council on Public Higher Education (COPHE), and Missouri State Technical College were invited to recommend three of the existing six performance measures for their sectors that were most closely linked to workforce development (employment and overall educational attainment). Successful attainment of these measures would be used to earn new performance funding. These same measures are suggested to be used again in the proposed in the FY 2021 budget.

- COPHE recommended: 1) completions per FTE student, 2) pass rates on learning assessments or professional licensure exams, and 3) graduate outcomes.
- MCCA recommended: 1) graduate outcomes, 2) pass rates on professional licensure exams, and 3) three-year graduation and transfer rate
- Missouri State Technical College recommended: 1) graduate outcomes, 2) completions per FTE, and 3) graduation rate.

The total request is based on the inflation rate for the most recent full year data (calendar year 2018), which was 1.9 percent. When this increase is applied to institutional core funding, it results in a FY 2021 total request of \$17,330,138. Using the three measures most focused on workforce development, each institution would receive a proportional amount (33.3 percent) of the total available for that

institution for each measure satisfied. **Attachment A** provides a detailed breakdown of this request by institution.

2. **True Up Funding:** Previously referred to as equity funding and per-student funding, this increase to core operating appropriations (based on new funding models) is not ready for a formal recommendation at this time. Due to a lack of consensus, this item is being tabled for further discussion with key policy and budget decision makers. The board may be asked to take a position on this item at its December 2019 meeting. The intention of this new decision item(s) is to correct funding disparities primarily resulting from the historical used of a “base-plus” funding approach while also providing a rational and balanced model to address this issue in the future.
3. **MoExcels:** This would be the second year for the department to include an appropriation request designed to provide institutional resources needed to establish or expand academic programs linked to high-demand occupations. The department anticipates the CBHE will finalize a list of ranked projects after its October 22 virtual meeting. This year, the top ranked proposals have been invited to make oral presentations as a part of the selection process. Approved projects will be submitted to the Governor, House and Senate as a part of the department’s budget process. The FY 2020 core of \$18.9 million is the estimated FY 2021 request amount. **Attachment C** contains a listing of the project requests received.
4. **Maintenance and Repair/Deferred Maintenance:** Public higher education institutions face an ongoing issue related to the need to maintain and repair campus buildings and facilities. This recommendation would provide additional ongoing funding for all public institutions for that purpose, distributed according to a pro rata model similar to last year. This year, the request is for 2% of the core appropriation for each institution. This approach results in a total request of \$18,242,251. Based upon the 2018 facility review, Missouri’s public higher education institutions had over \$1.5 billion in deferred maintenance. **Attachment D** provides a summary breakdown by institution.
5. **Capital Funding:** Because there are continuing needs for capital construction, institutions were encouraged to submit projects for consideration by the CBHE. The highest priority request from each institution was initially scored by staff using a rubric based on the CBHE’s [Guidelines for Selecting Priorities for Capital Improvement Projects for Public Colleges, Universities, and Community Colleges](#). The top ranked projects were invited to present their proposals to the CBHE at the September work session. Final rankings and recommendations will be determined by the board. The ranked list will then be presented for the Governor and General Assembly’s consideration. In total, there were 27 projects in the ranked listed totaling \$423,987,551 in funding requests.

Higher Education Capital Fund (50/50) projects: The MDHE is required to certify projects that meet the statutory criteria for designation as 50/50 projects. To be eligible, these projects must have at least a 50 percent match from non-state funds. 50/50 projects were considered and ranked through the same process as other capital funding requests. This year, three 50/50 projects were submitted for consideration. Those projects totaled \$882,175 in funding requests.

**Tab 21, Attachment A** displays the rankings for each institution’s top priority. **Tab 21, Attachment B** displays institutional capital request totals, a list of projects that met the requirements for the Higher Education Capital Fund and an unranked listing of all capital improvement projects requested by institutions for FY 2021.

6. **Missouri Returning Heroes Reimbursement:** The statute that established the Missouri Returning Heroes Education program allows public colleges and universities to seek reimbursement for tuition waived pursuant to the act. A total of \$1.3 million in reimbursement requests were received and will be included in the FY 2021 request. **Attachment F** provides detailed information by institution for this request.
7. **New Decision Items:** Institutions also submitted requests for other priorities. These requests will generally be part of the department’s informal communication about budget requests, but not formally entered into

the budget process. The CBHE may opt to elevate some or all of those requests. **Attachment E** provides a listing by institution of these requests. There are two exceptions that the department feels should be passed through as a recommendations. That includes a request for \$518,320 for the Alzheimer's Program and \$430,000 for the State Historical Society.

**Supplemental Requests for Debt Offset:** Due to late implementation of a new tax refund intercept system at the Department of Revenue, some tax refund intercepts for debt were not processed until after the fiscal year. As a result, two institutions have requested increased appropriation authority in order to fully utilize this process. The University of Missouri has requested an additional \$300,000 and the Southeast Missouri State University requested \$150,000. The department supports these requests.

## **NEXT STEPS**

The Coordinating Board's recommendations become "department recommendations," which are submitted to the Office of Administration's Division of Budget & Planning, which compiles requests for the governor and his staff to review. The governor decides whether to include department recommendations in his 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 through F. The only items recommended for approval by the CBHE in Attachment E (institution specific NDIs) are the Alzheimer's program and the State Historical Society request noted above.

## **ATTACHMENTS**

- A. Performance Funding Allocations
- B. Potential True Up Funding Allocations by Sector
- C. MoExcels Proposals
- D. Maintenance & Repair Increases
- E. Other Institution Specific Requests
- F. Returning Heroes Reimbursement Requested

Coordinating Board for Higher Education  
September 11, 2019

Tab 20 Attachment A  
FY 2021 Public College and University Operating Recommendations

Higher Education Institutions FY 2021 Proposed					
Institution	FY20 TAFP Funding	One-Time Funding	FY 2021 Core	Maximum Performance Funding that can be earned in FY21 (1.9% Inflation)	Amount Earned per Performance Measure
Crowder College	\$6,085,189	-\$332,500	\$5,752,689	\$109,301	\$36,434
East Central College	\$5,389,439		\$5,389,439	\$102,399	\$34,133
Jefferson College	\$7,864,997		\$7,864,997	\$149,435	\$49,812
Metropolitan Community College	\$31,587,077		\$31,587,077	\$600,154	\$200,051
Mineral Area College	\$5,675,616		\$5,675,616	\$107,837	\$35,946
Moberly Area Community College	\$6,294,400		\$6,294,400	\$119,594	\$39,865
North Central Missouri College	\$2,673,704		\$2,673,704	\$50,800	\$16,933
Ozarks Technical Community College	\$14,425,427		\$14,425,427	\$274,083	\$91,361
St. Charles Community College	\$9,117,102		\$9,117,102	\$173,225	\$57,742
St. Louis Community College	\$43,327,703		\$43,327,703	\$823,226	\$274,409
State Fair Community College	\$6,202,157		\$6,202,157	\$117,841	\$39,280
Three Rivers College	\$5,260,204		\$5,260,204	\$99,944	\$33,315
<b>Community College Subtotal</b>	<b>\$143,903,015</b>		<b>\$143,570,515</b>	<b>\$2,727,840</b>	
State Technical College of Missouri	\$6,530,371	-\$500,000	\$6,030,371	\$114,577	\$38,192
University of Central Missouri	\$55,338,357		\$55,338,357	\$1,051,429	\$553,384
Southeast Missouri State University	\$45,879,469		\$45,879,469	\$871,710	\$458,795
Missouri State University	\$94,001,060		\$94,001,060	\$1,786,020	\$940,011
Lincoln University	\$21,470,193		\$21,470,193	\$407,934	\$214,702
Truman State University	\$41,660,322		\$41,660,322	\$791,546	\$416,603
Northwest Missouri State University	\$31,186,117		\$31,186,117	\$592,536	\$311,861
Missouri Southern State University	\$25,831,242	-\$1,800,000	\$24,031,242	\$456,594	\$240,312
Missouri Western State University	\$22,246,755		\$22,246,755	\$422,688	\$222,468
Harris-Stowe State University	\$10,461,260		\$10,461,260	\$198,764	\$104,613
University of Missouri	\$416,236,876		\$416,236,876	\$7,908,501	\$4,162,369
<b>Public Univeristy Subtotal</b>	<b>\$764,311,651</b>	<b>-\$1,800,000</b>	<b>\$762,511,651</b>	<b>\$14,487,721</b>	
<b>All Institutions</b>	<b>\$914,745,037</b>	<b>-\$2,300,000</b>	<b>\$912,112,537</b>	<b>\$17,330,138</b>	

**Agenda Tab 20 Attachment B  
FY2021 True-Up Updated Information**

Institution	Current Per FTE Appropriation	Proposed Per FTE Allocation	TOTAL ADJUSTMENT	ONE-YEAR RECOMENDATION
<b>Community Colleges – The new MCCA model is as follows</b>				
Crowder College	\$2,027	\$3,091	\$3,020,720	\$1,510,360
East Central College	\$3,101	\$3,346	\$425,133	\$212,567
Jefferson College	\$2,732	\$2,976	\$704,233	\$352,117
Metropolitan Community College	\$3,145	\$3,389	\$2,457,112	\$1,228,556
Mineral Area College	\$2,630	\$2,875	\$527,869	\$263,935
Moberly Area Community College	\$1,928	\$2,993	\$3,474,147	\$1,737,074
North Central Missouri College	\$2,364	\$2,609	\$276,656	\$138,328
Ozarks Technical Community College	\$1,829	\$2,893	\$8,396,920	\$4,198,460
St. Charles Community College	\$2,163	\$3,227	\$4,487,440	\$2,243,720
St. Louis Community College	\$4,082	\$4,327	\$2,596,295	\$1,298,148
State Fair Community College	\$2,115	\$3,180	\$3,120,772	\$1,560,386
Three Rivers College	\$2,510	\$2,754	\$512,703	\$256,352
<b>TOTAL</b>			<b>\$30,000,000</b>	<b>\$15,000,000</b>
<b>Public Universities – Average of NCHEMS &amp; Delaware models</b>				
Harris-Stowe State University		\$1,674	\$725,551	\$362,776
Lincoln University		\$2,560	\$0	\$0
Missouri Southern State University		\$1,733	\$2,135,707	\$1,067,853
Missouri State University		\$1,913	\$1,485,822	\$742,911
Missouri Western State University		\$1,934	\$94,491	\$47,246
Northwest Missouri State University		\$1,970	\$164,735	\$82,368
Southeast Missouri State University		\$1,935	\$265,579	\$132,789
Truman State University		\$2,899	\$0	\$0
University of Central Missouri		\$1,737	\$5,912,701	\$2,956,350
University of Missouri System		\$1,920	\$4,114,849	\$2,057,425
<b>TOTAL</b>		<b>\$1,943</b>	<b>\$14,899,435</b>	<b>\$7,449,718</b>
<b>State Technical College of Missouri – Blended Hybrid Model</b>				
State Technical College of Missouri		\$1,526	\$1,548,001	\$774,001

These are shared for informational purposes only.

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Tab 20 Attachment C  
FY 2021 MoExcels Proposals Received

COLLEGE	PROPOSAL NAME	PROPOSAL	MOEXCELS STATE REQUEST	TOTAL PROJECT COST
Crowder College	Transportation Technology Building	Supporting students in transport training, diesel tech and logistics through a Center of Excellence in transportation	\$2,500,000	\$5,000,000
East Central College	Transitions Academy for Adult Education and Literacy Program	Moving the AEL center closer to campus to ease the transition from high school students into college and to increase certifications in welding, early childhood, HVAC and many others	\$344,360	\$578,601
Harris-Stowe State University	STEM Entrepreneurship Certificate at Harris-Stow State University	Proposing a 17 credit hour on-campus or online certification program to address the growing needs in STEM	\$125,000	\$92,802
Jefferson College	Jefferson College Veterinary Technology Renovations	Supporting the increasing demand in Registered Veterinary Technicians by increasing classroom size to train more students	\$110,000	\$220,000
Metropolitan Community College	MCC Advanced Manufacturing Institute	Supporting the increased demand in manufacturing certificates, including renovating a building owned by the Kansas City Public School	\$19,000,000	\$40,022,488
Mineral Area Community College	Center for Excellence in Career and Technical Education	Supporting welding, plumbing, HVAC and electrical trades	\$324,000	\$1,255,000
Missouri University of Science & Technology	Teacher Prep Program Expansion and Center for Educational Excellence in STEM	Supporting students in obtaining teaching degrees in Middle School Science, Math, and Elementary STEM	\$450,766	\$763,486
Missouri Southern State University	Southwest Missouri Center for Applied Behavior Analysis	Establishing a certificate in Applied Behavior Analysis and a Baccalaureate Degree in Applied Behavior Analysis	\$236,945	\$476,754
Missouri State University	IDEA Commons Applied Learning Expansion	Expanding the certificates and degrees related to cybersecurity, ethical hacking, CompTIA Security+, and entrepreneurship	\$2,851,000	\$18,676,000
Missouri State University-West Plains	Advanced Technology Welding Lab	Supporting certificates in welding, robotics, and pipefitting	\$1,260,000	\$2,580,000
Moebly Area Community College	Accelerated A.D.N. (AADN) Expansion	Supporting associates degrees in Nursing	\$210,000	\$322,000
Northwest Missouri State University	Cybersecurity: Improving the Missouri Pipeline	Supporting the expansion of cybersecurity, computer science, and management information systems degrees	\$470,983	\$941,966
Northwest Missouri State University	Preparing Future Emergency Managers and Responders	Expanding the degrees in Emergency and Disaster Management	\$73,200	\$146,400
Ozarks Technical Community College	Center for Advanced Manufacturing	Supporting Phase II of a project for the manufacturing industry with welding, manufacturing and other short term credentials	\$5,000,000	\$25,250,000
Southeast Missouri State University	Computer Science & Cybersecurity Expansion	Expanding the degrees in computer science and cybersecurity for both masters and bachelor's degrees	\$3,922,615	\$9,295,500
St. Charles Community College	SCC's Technology and Logistics Regional Center of Excellence in Warren County	Supporting the expansion of logistics, production & maintenance and automation system pathways	\$2,200,000	\$7,424,290
St. Louis Community College	STL Excels	Expanding and supporting certificates in cybersecurity, Cisco networking, network engineering, and IT help desk certificates	\$1,064,510	\$1,596,765
State Fair Community College	Center for Excellence in Advanced Manufacturing & Automation Training	Supporting certifications in welding, robotics, certified production technician, and machine tool	\$4,803,410	\$7,206,958
State Technical College of Missouri	Engineering Technologies Center	Supporting associates degrees in industrial electricity, welding, biomedical engineering, and computer application development	\$4,000,000	\$5,500,000
Three Rivers College	S.M.A.R.T.	Supporting associates degrees and certifications in equipment operations, customized training and transfers	\$295,150	\$1,170,150
Truman State University	Applied Behavior Analysis	Supporting a new program for Applied Behavior Analysis certificates	\$40,000	\$80,016
University of Central Missouri	Employer Driven Critical Healthcare Needs	Expanding and supporting certificates in biomedical equipment technicians, LPN, and Certified Nursing Assistants	\$405,000	\$910,000
University of Missouri System	Faculty Development for Teaching in a Digital Format	students in business, health sciences, IT, cybersecurity, and criminal justice degree programs	\$1,812,477	\$3,624,954
University of Missouri System	Student Experience in a Digital Format	Supporting students with customized needs with a degree coach for business, health sciences, IT, cybersecurity, and criminal justice degrees	\$1,289,400	\$2,578,800
University of Missouri-Columbia	Imaging the Future-Clinical Service Engineering for Missouri	Supporting the expansion of clinical service engineers and clinical service engineer technicians	\$2,566,684	\$5,114,444
University of Missouri-St. Louis	USML Nursing Simulation Center	Supporting the expansion of BSN prepared registered nurses	\$3,000,000	\$7,000,000
Northwest Missouri State University	Agricultural Technology and Mechanical Systems Management	Supporting a new program for Agricultural Technician and Mechanical Systems Management degrees	\$5,760,000	\$5,760,000
<b>TOTAL REQUEST</b>			<b>\$64,115,500</b>	<b>\$153,587,373</b>

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Tab 20 Attachment D  
FY 2021 Maintenance & Repair

Higher Education Institutions FY 2021 Requested				
Institution	FY20 TAFP Funding	One-Time Funding	FY 2021 Core	2% Core Proposed M&R Increase
Crowder College	\$6,085,189	-\$332,500	\$5,752,689	\$115,054
East Central College	\$5,389,439		\$5,389,439	\$107,789
Jefferson College	\$7,864,997		\$7,864,997	\$157,300
Metropolitan Community College	\$31,587,077		\$31,587,077	\$631,742
Mineral Area College	\$5,675,616		\$5,675,616	\$113,512
Moberly Area Community College	\$6,294,400		\$6,294,400	\$125,888
North Central Missouri College	\$2,673,704		\$2,673,704	\$53,474
Ozarks Technical Community College	\$14,425,427		\$14,425,427	\$288,509
St. Charles Community College	\$9,117,102		\$9,117,102	\$182,342
St. Louis Community College	\$43,327,703		\$43,327,703	\$866,554
State Fair Community College	\$6,202,157		\$6,202,157	\$124,043
Three Rivers College	\$5,260,204		\$5,260,204	\$105,204
<b>Community College Subtotal</b>	<b>\$143,903,015</b>		<b>\$143,570,515</b>	<b>\$2,871,410</b>
State Technical College of Missouri	\$6,530,371	-\$500,000	\$6,030,371	\$120,607
University of Central Missouri	\$55,338,357		\$55,338,357	\$1,106,767
Southeast Missouri State University	\$45,879,469		\$45,879,469	\$917,589
Missouri State University	\$94,001,060		\$94,001,060	\$1,880,021
Lincoln University	\$21,470,193		\$21,470,193	\$429,404
Truman State University	\$41,660,322		\$41,660,322	\$833,206
Northwest Missouri State University	\$31,186,117		\$31,186,117	\$623,722
Missouri Southern State University	\$25,831,242	-\$1,800,000	\$24,031,242	\$480,625
Missouri Western State University	\$22,246,755		\$22,246,755	\$444,935
Harris-Stowe State University	\$10,461,260		\$10,461,260	\$209,225
University of Missouri	\$416,236,876		\$416,236,876	\$8,324,738
<b>Public Universities Subtotal</b>	<b>\$764,311,651</b>	<b>-\$1,800,000</b>	<b>\$762,511,651</b>	<b>\$15,250,233</b>
<b>All Institutions</b>	<b>\$914,745,037</b>	<b>-\$2,300,000</b>	<b>\$912,112,537</b>	<b>\$18,242,251</b>



**Coordinating Board for Higher Education  
September 11, 2019**

**Tab 20 Attachment F  
Returning Heroes Reimbursement Request**

<b>Higher Education Institutions FY 2021 Requested</b>	
<b>Institution</b>	<b>FY21 Request</b>
Crowder College	\$34,274
East Central College	\$3,240
Jefferson College	\$4,632
Metropolitan Community College	\$21,885
Mineral Area College	\$1,277
Moberly Area Community College	\$6,940
North Central Missouri College	\$1,540
Ozarks Technical Community College	\$41,620
St. Charles Community College	\$11,141
St. Louis Community College	\$7,953
State Fair Community College	\$0
Three Rivers College	\$742
<b>Community College Subtotal</b>	<b>\$135,244</b>
State Technical College of Missouri	<b>\$4,626</b>
University of Central Missouri	\$104,221
Southeast Missouri State University	\$121,116
Missouri State University	\$189,681
Lincoln University	\$11,480
Truman State University	\$3,113
Northwest Missouri State University	\$2,942
Missouri Southern State University	\$49,300
Missouri Western State University	\$17,819
Harris-Stowe State University	\$0
University of Missouri	\$639,171
<b>Public Universities Subtotal</b>	<b>\$1,138,841</b>
<b>All Institutions</b>	<b>\$1,278,711</b>

<p><b>Maintenance and Repair/Deferred Maintenance</b></p>	<p><u>University of Central Missouri</u> - \$17,695,991 is requested to address deferred facility needs including: (1) Ward Edwards - roof replacement and façade restoration (\$4,250,000); (2) Humphreys Building - roof replacement and façade restoration (\$4,331,340), (3) Administration Building - roof replacement and façade restoration (\$4,233,500); (4) Dockery Building - facade repair (\$1,500,000); (5) Utt Building - facade repair (\$1,181,151), (6) W. C. Morris Science Building - facade repair (\$1,200,000) (7) Multipurpose Building - replace exterior doors (\$500,000), and Ellis Mechanical Building - replace two boilers (\$500,000). (This was not included in their CIBR request the same way)</p> <p><u>Truman State University</u> - \$3,250,000 is requested to preserve and maintain the state's investment in academic facilities and infrastructure on the campus. Renovation and repairs will focus on zoning structures for utility usage so they can be operated more efficiently during different periods of use. (This was not included in their CIBR request)</p> <p><u>University of Missouri</u> - \$5,600,000 is requested for deferred maintenance needs at each campus. (This was not included in their CIBR request)</p>
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- Some Universities requested performance funding as a separate request. Performance funding is being included in a separate board item. Truman State University requested \$1.2 million and University of Missouri requested \$8.3 million.
- The University of Missouri requested \$8.3 million in True-Up funding adjustments. True-Up funding is being addressed in another board item.