



Tab 23

## True Up Funding Adjustment Update

Coordinating Board for Higher Education  
September 11, 2019

### BACKGROUND

Missouri does not have a formula for the allocation of state funds to public colleges and universities. Instead appropriators have used a base-plus or -minus model in which the same percent increase or decrease is applied to all institutions without sensitivity to enrollment or programmatic cost factors. The Missouri Community College Association (MCCA) and the Council on Public Higher Education (COPHE) have formulas intended to provide adjustments to reflect differences in per-student funding amounts.

The department's 2019 Blueprint Implementation Plan committed to developing a new model for seeking institutions' funding requests. Staff, working with a review team of stakeholders, have worked with the National Center for Higher Education Management Systems (NCHEMS) to determine whether any changes should be made to the existing per-student funding models. The review team has helped review models for True Up Funding (previously referred to as equity funding or per-student funding adjustments). This effort was intended to help guide the CBHE in making budgetary recommendations for the FY 2021 budget.

June 2019 board items (Tab 29, Per-Student Funding Adjustment Update and Attachments A and B) provide additional background as well as the initial timeline for stakeholder engagement and review team meetings that occurred over the summer. Attachment B from the June meeting is the report from NCHEMS.

### CURRENT STATUS

Since the update provided to the CBHE at its retreat in July 2019, community college presidents approved a new consensus model for their sector. This model was discussed by the Review Team on July 30, 2019. Several members of the review team felt the new model expanded the guiding principles that were the foundation of this review. Attachment B of Tab 21 provides the output of this model on an institutional basis. Funding this model is the community colleges' top legislative priority.

Public universities were unable to reach consensus on a model for their sector. MDHEWD staff suggested a compromise based on the average of the two weighted models that have been considered (combining NCHEMS and Delaware weights). The results of this model are also included in Tab 21, Attachment B. However, there are still significant concerns among the public institutions regarding all models considered. Concerns range from how the models take into consideration an institution's mission to core questions about the validity of the weights.

The model for State Technical College of Missouri is a hybrid of the 2 and 4 year sectors averaged together. That recommendation is also listed in Tab 21, Attachment B.

### NEXT STEPS

Given the lack of a consensus, the department would like to take some time to review the various models and core principles of this effort with legislative leaders and the Governor's staff before finalizing a recommendation at this time. As a result, no True Up funding model will be recommended for inclusion in the October version of the budget book. MDHEWD staff will continue to work toward a model that can be used to recommend funding.

### RECOMMENDATION

This is an information item only.

### NO ATTACHMENTS