



Tab I New Approach to Budget Requests

Coordinating Board for Higher Education
March 8, 2018

BACKGROUND

Section 173.1540, RSMo, requires public universities to prepare annual budget requests and submit them to the Missouri Department of Higher Education (MDHE). 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: "The department of higher education shall review all institutional budget requests and prepare appropriation recommendations annually for the community colleges under the supervision of the department." 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.

The law also provides, "In consultation with the heads of the institutions of higher education affected and against a background of carefully collected data on enrollment, physical facilities, manpower needs, [and] institutional missions, the coordinating board for higher education shall establish guidelines for appropriation requests by those institutions of higher education" (§ 173.005.2(3), RSMo).

Finally, the Blueprint for Higher Education includes tactics related to funding, including "support[ing] initiatives to fund public higher education sufficiently to move 'per full-time equivalent student' funding to the national average" and "review[ing] Missouri's postsecondary education system – including governance and regulator structures, efficiency, missions, adequacy of funding, and selectivity policy – to assess how effectively the state is meeting the needs of stakeholders and make recommendations as appropriate."

CURRENT STATUS

Several projects that are in the planning stages will provide information that will be useful in developing budget recommendations for future budgets. In the relatively short term, those projects include the MDHE's facility review and the workforce needs assessment on which the MDHE is partnering with the Department of Economic Development. In the longer term, the MDHE's mission review will provide information needed to develop a more sophisticated approach to funding.

In addition, conversations that have already occurred around funding may provide a good starting point for a funding discussion. Both the Council on Public Higher Education and the Missouri Community College Association have funding models designed to address internal equity issues, and Senator David Pearce's [SB 437](#) (2013), although unsuccessful in the legislative process, represents an attempt to address higher education funding in a relatively comprehensive way.

NEXT STEPS

Funding Formula

1. **Identify a group to provide policy guidance about funding requests.** The commissioner has already identified a Commissioner's Advisory Group to provide advice about long-term strategic issues. That group represents presidents and chancellors from a diverse group of institutions and is well-positioned to advise and make recommendations on funding issues.
2. **Identify a smaller group of technicians to develop options that fit within policy parameters set by the Commissioner's Advisory Group.** This small group will be deeply involved in developing mathematical formulas that fit within the policy parameters identified by the Commissioner's Advisory Group.

3. **Report out at June CBHE meeting.** The Commissioner's Advisory Group will make recommendations at the June CBHE meeting. Those recommendations could include a final recommendation or a recommendation that the group continue its work and present recommendations to the board later in the summer.

Capital Funding Requests

MDHE staff are currently in the process of visiting each public college and university in the state and will present a final report to the board in September. That report will inform recommendations about capital funding requests and may be used to identify statewide funding needs. Campus visits will focus on the factors identified in the CBHE's Guidelines for Selecting Priorities for Capital Improvement Projects for Public Colleges, Universities, and Community Colleges, including:

1. The campus master plan, including enrollment trends and projection;
2. Facilities in need of corrective construction and renovation/rehabilitation, modernization, or accessibility improvements;
3. Significant capital improvements in the last 10 years, including maintenance and repair projects and new construction.

In addition, campuses should provide copies of any recent space utilization studies or other information that will provide important context.

Funding to Meet Workforce Needs

The MDHE is partnering with the Department of Economic Development to conduct a statewide workforce needs assessment. That assessment will identify areas that require increased degree and certificate production and may support the development of a funding request to meet needs in a particular region or occupation cluster. That report is expected to be finalized in September, so detailed recommendations based on the report will likely have to be made after the September board meeting.

RECOMMENDATION

Staff recommend that the board charge members of the Commissioner's Advisory Group with developing recommendations for a funding formula for the board's consideration at its June 2018 meeting and direct staff to proceed with the facility review and workforce needs assessment.

ATTACHMENTS

1. Commissioner's Advisory Group Membership
2. Facility Review Schedule

Tab I Attachment 1 Commissioner's Advisory Group

When the System Review Task Force made its final recommendation in December 2016, members of the task force suggested that it would be beneficial to continue to meet to discuss the significant issues public higher education institutions face. The commissioner has reconstituted the group and called the first meeting on January 31, 2018. The group includes representatives of the institutions that participated in the System Review Task Force and the Presidential Advisory Council chair. Members will rotate off the group so that in time all institutions can participate. The group currently plans to meet on a quarterly basis.

Institution Type	Representative
Presidents/Chancellors	
Community Colleges	
10,000+ FTE enrollment	Kim Beatty, Metropolitan Community College Jeff Pittman, St. Louis Community College
5,000-10,000 FTE enrollment	Hal Higdon, Ozarks Technical Community College
1,000-5,000 FTE enrollment	Joanna Anderson, State Fair Community College Jon Bauer, East Central College Ray Cumiskey, Jefferson College Steve Kurtz, Mineral Area College Jennifer Methvin, Crowder College
Public Universities	
Research I university	Mun Choi, University of Missouri
Comprehensive university	Chuck Ambrose, University of Central Missouri Clif Smart, Missouri State University Carlos Vargas, Southeast Missouri State University
Open enrollment university	Bob Vartabedian, Missouri Western State University
Historically black college or university	Dwaun Warmack, Harris-Stowe State Technical College
State Technical College of Missouri	Shawn Strong, State Technical College of Missouri
Ex Officio	
COPHE executive director	Paul Wagner
MCCA president/CEO	Brian Millner

Tab I Attachment 2
Facility Review Schedule

Institution	Date
St. Louis Community College	March 9, 2018
Harris-Stowe State University	March 16, 2018
University of Missouri-St. Louis	March 16, 2018
Jefferson College	March 23, 2018
Mineral Area College	March 23, 2018
Northwest Missouri State University	March 30, 2018
Missouri Western State University	March 30, 2018
University of Central Missouri	April 6, 2018
State Fair Community College	April 6, 2018
Crowder College	April 13, 2018
Missouri Southern State University	April 13, 2018
Lincoln University	April 20, 2018
Metropolitan Community College	April 27, 2018
University of Missouri-Kansas City	April 27, 2018
Missouri University of Science & Technology	May 4, 2018
Moberly Area Community College	May 11, 2018
University of Missouri-Columbia	May 25, 2018
North Central Missouri College	June 1, 2018
Truman State University	June 1, 2018
Ozarks Technical Community College	June 8, 2018
Missouri State University	June 8, 2018
St. Charles Community College	June 15, 2018
East Central College	June 15, 2018
State Technical College of Missouri	June 22, 2018
Southeast Missouri State University	June 29, 2018
Three Rivers College	June 29, 2018
Missouri State University-West Plains	June 29, 2018