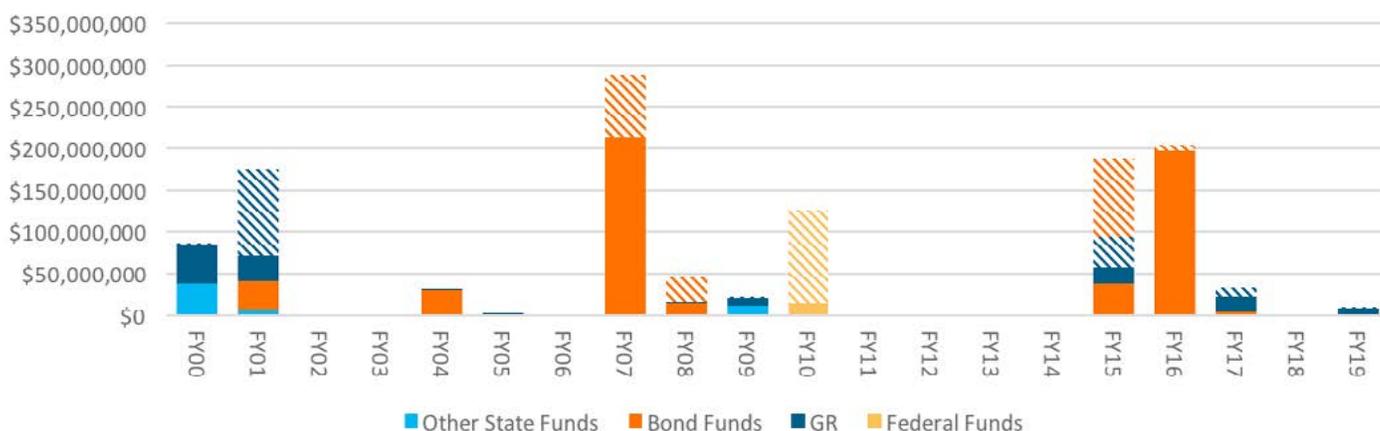


Higher Education Capital Improvements Funding FY 2000-2019

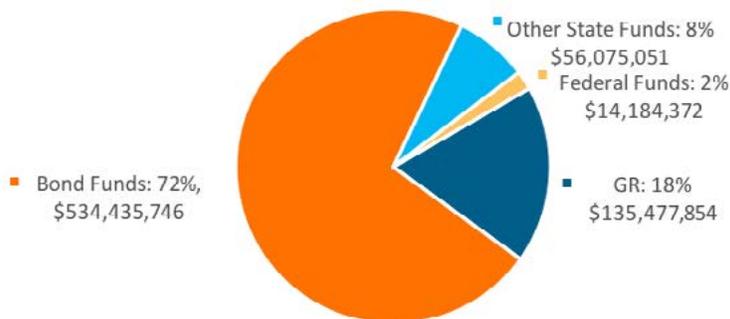
As shown below, capital improvements funding is not consistently provided to higher education institutions. In fact, in many years, no state funding was provided at all. Over the last two decades, total statewide investments to higher education capital improvements have totaled \$1.2 billion with nearly 40% (\$474 million) vetoed or restricted. Vetoed/restricted funds are represented by a diagonal pattern in the bar graph below.

MDHE State CI Funding History
FY00 - FY19
By Fund Source



Below is a breakdown of total state funding by funding source. These amounts represent actual expenditures and do not include restrictions or vetoes.

MDHE State CI Funding History
FY00 - FY19
By Fund Source
(Excludes vetoes/withholds)



Bonding Funds

Over the past 20 years, the primary state funding source for higher education capital improvement projects has been the issuance of bonds. In bonds, \$748 million has been appropriated with \$205.7 million vetoed or restricted. Two major bond issuances have allowed institutions to make significant progress on their extensive list of deferred maintenance projects: the 2007 Lewis and Clark Discovery Initiative at \$335 million and the 2016 Building Affordability Initiative at \$200 million.

Appropriated:	\$740,172,481
Vetoed/ Restricted:	(\$205,736,735)
Expended:	\$534,435,746

Lewis and Clark Discovery Initiative – \$335 million (\$75 million Restricted)

The Lewis and Clark Discovery Initiative was initially announced by Governor Matt Blunt in January 2006 as a program to fund capital improvement projects at state higher education institutions with funds from the Missouri Higher Education Loan Authority. The initial payment of \$230 million was transferred by Sept. 15, 2007. Subsequent quarterly payments of \$5 million each were to be transferred to the state beginning Dec. 31, 2007. Although the initial \$236 million was transferred, only the first \$5 million payment was transferred on schedule. Once it became clear funding was not available as anticipated, Governor Nixon restricted funding for many projects. Projects were evaluated based on whether they could be completed with available funds. Many projects were stopped if construction had not yet begun. In the years following the Lewis and Clark Discovery Initiative, many attempts were made to fund the halted projects, but very few ever received any state funding.

Building Affordability Initiative – \$200 million

The Building Affordability Initiative provided \$200 million in Board of Public Building Bond funds for all public higher education institutions in the state. The 2014 initiative was spearheaded by then-Senator Mike Parson, the champion of [SB 723](#). The bill raised the cap on revenue bonds, creating a repair and renovation funding stream of \$200 million for higher education facilities. Each public college and university was given an opportunity to prioritize their repair needs and provide a list of projects based on available funding. In 2016, the bond funds were appropriated in HB 19. The initiative provided much-needed maintenance and repair funds for every Missouri public higher education institution with the understanding tuition rates would not increase that fiscal year.

General Revenue

While general revenue has been a significant contributor to Missouri's higher education capital improvements funding, the amount available has declined. Moreover, nearly half of all general revenue funds appropriated in the last two decades have been either vetoed or restricted.

Appropriated:	\$270,542,088
Vetoed/Restricted:	(\$135,064,234)
Expended:	\$135,477,854

Other State Funds

Historically, lottery and gaming funds have also been used for higher education capital improvement projects.

Appropriated:	\$56,075,051
Vetoed/Restricted:	(\$0)
Expended:	\$56,075,051

Federal Funds

In 2009, congress passed the American Recovery and Reinvestment Act (ARRA) to help stimulate the economy. The Act provided federal funds available to all 50 states to help stabilize support for key programs, including higher education. Missouri took advantage of the federal budget stabilization funds made available to higher education facilities in fiscal year 2010. However, the majority of appropriated funds were restricted or vetoed as state revenues continued to decline.

Appropriated:	\$127,285,140
Vetoed/Restricted:	(\$113,100,768)
Expended:	\$14,184,372

50/50 Matching Funds

Occasionally, the state works with higher education facilities to split capital improvements costs with local matching funds; private donations make up half the project cost, and the state pays for the other half. When the state portion of a matching project is restricted, the local donation is often retracted or repurposed. Since 2000, \$137 million has been offered as local match amounts on higher education capital improvement projects, but as much as \$75 million has been lost when the state portion was vetoed or restricted.

Approved:	\$137,174,279
Lost due to GR Veto/Restricted:	(\$74,965,570)
Expended:	\$62,208,709