



Tab 18 FY 2022 Budget Request Instructions

Coordinating Board for Higher Education
June 17, 2020

BACKGROUND

One of the primary responsibilities of the Department of Higher Education and Workforce Development is the development of a unified appropriation request for the public colleges and universities. Although the law technically assigns the responsibility to the department, approval by the Coordinating Board of those recommendations is a critical step in the process.

- Section 173.1540, RSMo, requires DHEWD review annual budget requests from each public university and prepare a corresponding appropriation recommendation.
- Section 163.191.2, RSMo, requires DHEWD review annual institutional budget requests and prepare an appropriation recommendation for the community colleges.
- Section 178.638, RSMo, requires the inclusion of funds designated for State Technical College of Missouri in the unified budget request.

In order to implement those provisions, Section 173.005.2 requires the coordinating board for higher education establish guidelines for appropriation requests by public institutions of higher education.

CURRENT STATUS

To operationalize that statutory requirement, DHEWD staff propose the following plan for requests for funding from public higher education institutions, ranked in order of priority:

- 1) **Institutional Operating Core:** DHEWD staff will recommend an increase to core operating appropriations based on a percent increase linked to the rate of inflation. The inflationary factor would be applied to each four-year institutions' and State Technical College'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.
- 2) **Core Restoration:** Before the inflationary increase can have the intended impact, restoration of the core reductions that resulted from the COVID-19 pandemic must occur. Depending on the July budget instructions from the Office of Administration's Office of Budget and Planning and updated state revenue forecasts, the CBHE may consider an additional increase for institutions in addition to the inflationary factor above.
- 3) **Capital Funding:** Institutions may request funding only for critical or emergency capital projects that have the potential for campus-wide disruption or pose safety or security concerns if not addressed. These projects must also meet the new capital improvement guidelines for institutions approved by the Coordinating Board at its April meeting.
- 4) **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.

NEXT STEPS

Following the June board meeting, budget instructions will be sent to public institutions' chief financial officers. Budget requests and critical capital requests will be due back to the department by Friday, August 7, 2020.

Based upon the requests received, the department will prepare an action item for the CBHE to consider at its September meeting.

RECOMMENDATION

This is an information item only.

NO ATTACHMENTS