



Tab 2 FY 2021 Final Budget Update

Coordinating Board for Higher Education
July 21, 2020

BACKGROUND

This items provides an update on the FY 2021 higher education and workforce development budget. The June materials for the CBHE included the final version of the budget as it was truly agreed and finally passed by the General Assembly. This update include the actions that the Governor made in the form of line item vetoes or expenditure restrictions.

CURRENT STATUS

FY 2021 Operating Budget (HB 2003)

Bill Summary

The General Assembly appropriated \$1.6 billion (up from \$1.3 billion in FY 2020) for higher education institutions, financial aid programs, workforce development and DHEWD administration for FY 2021. This includes \$844,315,952 (down from \$944,062,570 in FY 2020) in general revenue and \$505,750,554 (increased from \$97,934,273 in FY 2020) in federal funds and \$278,819,330 (down from 294,744,659 in FY 2020) in other funds.

The Governor has vetoed \$376,178 in funding and restricted \$55,105,576. A summary of HB 2003 with Governor's actions is provided as Attachment A. A breakdown of restrictions affecting institutions of higher education is included in Attachment B.

It is important to note that there were two different federal funding sources included in the FY 2021 budget. One of those sources was intended to be a core restoration for the public universities using federal Medicaid match enhanced funding. This was empty spending authority with no cash to support the appropriations. The other was potential federal stimulus funding that was not needed since institutions received their funding directly from the federal government. While the Governor did not veto or restrict these appropriations, they are not available to higher education institutions. The result is a reduction in FY 2021 of \$114.6 million from the FY 2020 appropriated amount, which is equal to the funding reductions in FY 2020 for all higher education institutions.

Governor's Vetoes

On June 30, the Governor finalized his review and actions for the FY 2021 budget. His veto message for the department included the following items.

#	HB Section	Item	Vetoed Amount
1	Various	\$.06 Mileage Reimbursement Rate Increase (Statewide)	\$ 21,843
2	3.005	Dual Credit Certification Program	\$ 54,335
3	3.140	St. Louis Pre-Apprenticeship Program	\$ 200,000
4	3.140	St. Louis Workforce Development Program for Under-Resourced Individuals	\$ 100,000
Total			\$ 376,178

Department Restrictions

Unlike vetoes, restrictions are temporary expenditure controls that can be released later if revenues are realized at a higher rate than anticipated. Across entire state budget, the Governor restricted over \$438.5 million with just over \$55.1 million (12.6%) of the restrictions coming from HB 2003. Expenditure restrictions include:

#	HB Section	Item	Restricted Amount
1	Various	Expense and Equipment Purchases (Statewide)	\$ 95,809
2	Various	\$.06 Mileage Reimbursement Rate Reduction (Statewide)	\$ 798
3	3.005	Higher Education Coordination and Grant and Scholarship Program Administration	\$ 185,380
4	3.040	Academic Scholarship (Bright Flight) Program	\$ 6,470,893
5	3.145	Project Lead the Way	\$ 250,000
6	3.200	Community Colleges	\$ 18,442,057
7	3.205	State Technical College of Missouri	\$ 219,665
8	Various	Four-Year Higher Education Institutions	\$ 27,935,760
9	3.255	Greenley Research Center	\$ 275,000
10	3.265	University of Missouri - St. Louis International Collaboration Program	\$ 416,622
11	3.285	Missouri State Historical Society	\$ 813,592
		Total (All Funds)	\$ 55,105,576

NEXT STEPS

Depending of actual revenues received and updated projections, the Governor may impose additional expenditure restrictions, if needed, to achieve a balanced budget by the end of the fiscal year. If revenues come in better than anticipated, the Governor could release some of the restrictions.

RECOMMENDATION

This is an information item only.

ATTACHMENTS

- A. FY 2021 Higher Education Operating Budget Tracking Sheet
- B. FY 2021 Funding by Institution with Restrictions

FY 2021 Higher Education and Workforce Development Operating Budget Status - HB 2003

	FY 2020 (TAFP)	FY 2021 (TAFP)	Vetoes / Restrictions	FY 2021 Available Funding <i>before</i> <i>reduction for 3%</i> <i>Statutory Reserve*</i>
Coordination Admin & Grant/Scholarship Admin	\$ 2,851,052	\$ 2,888,737	\$ (282,785)	\$ 2,605,952
Core 42	\$ -	\$ -		\$ -
Dual Credit Certification	\$ -	\$ 54,335	\$ (54,335)	\$ -
MoExcels	\$ 18,915,975	\$ -		\$ -
Mileage Reimbursement	\$ 21,843	\$ -		\$ -
Federal Emergency Relief Fund	\$ -	\$ 23,643,000		\$ 23,643,000
Proprietary School Administration	\$ 315,042	\$ 318,335		\$ 318,335
Proprietary School Bond	\$ 400,000	\$ 400,000		\$ 400,000
Midwest Higher Ed. Compact	\$ 115,000	\$ 115,000		\$ 115,000
Federal Grants/Donations	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000
Other Grants/Donations	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000
Academic Scholarship Transfer (Bright Flight)	\$ 23,676,666	\$ 20,176,666	\$ (6,470,893)	\$ 13,705,773
Academic Scholarship Spend. Authority (Bright Flight)	\$ 25,676,666	\$ 21,676,666		\$ 21,676,666
Access Missouri Transfer	\$ 66,421,052	\$ 63,921,052		\$ 63,921,052
Access Missouri Spending Authority	\$ 79,460,000	\$ 76,960,000		\$ 76,960,000
A+ Dual Credit Program Transfer	\$ -	\$ -		\$ -
A+ Dual Credit Program Spend Authority	\$ -	\$ -		\$ -
A+ Schools Program Transfer	\$ 41,113,326	\$ 41,113,326		\$ 41,113,326
A+ Schools Program Spending Authority	\$ 43,500,000	\$ 42,700,000		\$ 42,700,000
Fast Track Scholarship Transfer	\$ 10,000,000	\$ 3,000,000		\$ 3,000,000
Fast Track Scholarship Spend Authority	\$ 10,000,000	\$ 3,500,000		\$ 3,500,000
Advanced Placement Incentive Grants	\$ 100,000	\$ 100,000		\$ 100,000
Marguerite Ross Barnett Scholarship Prog. Transfer	\$ 413,375	\$ -		\$ -
Marguerite Ross Barnett Scholarship Prog. Spend. Authority	\$ 500,000	\$ -		\$ -
Public Service Officer Grant Program	\$ 153,000	\$ 153,000		\$ 153,000
Wartime Veterans Survivor Grant Program	\$ 315,000	\$ 315,000		\$ 315,000
Kids' Chance Scholarship	\$ 15,000	\$ 15,000		\$ 15,000
Dual Credit Scholarship Transfer	\$ -	\$ -		\$ -
Dual Credit Scholarship Spending Authority	\$ -	\$ -		\$ -
Minority & Underrepresented Environmental Literacy Program	\$ 32,964	\$ 32,964		\$ 32,964
Loan Program Administration	\$ 3,737,584	\$ 3,754,583	\$ (547)	\$ 3,754,036
Federal Loan Compliance	\$ 8,500,000	\$ 8,500,000		\$ 8,500,000
Loan Program Revolving Fund	\$ 120,000,000	\$ 120,000,000		\$ 120,000,000
Transfer to State Legal Expense Fund	\$ 1	\$ 1		\$ 1
Workforce Development Administration/MERIC	\$ 20,413,775	\$ 20,757,781	\$ (20,498)	\$ 20,737,283
Workforce Autism	\$ 200,000	\$ 200,000		\$ 200,000
Show Me Heroes	\$ 500,000	\$ 500,000		\$ 500,000
Workforce Programs	\$ 78,200,000	\$ 77,500,000	\$ (300,000)	\$ 77,200,000
Cost Free Computer Programming Training	\$ 500,000	\$ 500,000		\$ 500,000

FY 2021 Higher Education and Workforce Development Operating Budget Status - HB 2003

	FY 2020 (TAFP)	FY 2021 (TAFP)	Vetoed / Restrictions	FY 2021 Available Funding before reduction for 3% Statutory Reserve*
Institution Deferred Maintenance (State Tech)	\$ 500,000	\$ -		\$ -
MO S&T Project Lead the Way	\$ 250,000	\$ 250,000	\$ (250,000)	\$ -
MSSU Stem Expansion	\$ 1,800,000	\$ -		\$ -
Crowder Nursing Expansion	\$ 332,500	\$ -		\$ -
Community College Appropriation	\$ 143,570,515	\$ 143,570,515	\$ (18,442,057)	\$ 125,128,458
Community Colleges CARES	\$ -	\$ 47,856,837		\$ 47,856,837
State Technical College of Missouri	\$ 6,030,371	\$ 6,030,371	\$ (219,665)	\$ 5,810,706
State Technical College of Missouri CARES	\$ -	\$ 2,010,124		\$ 2,010,124
University of Central Missouri	\$ 55,338,357	\$ 55,338,357	\$ (2,037,445)	\$ 53,300,912
University of Central Missouri CARES	\$ -	\$ 18,446,119		\$ 18,446,119
Southeast Missouri State University	\$ 45,879,469	\$ 45,879,469	\$ (1,687,635)	\$ 44,191,834
Southeast Missouri State University CARES	\$ -	\$ 15,293,156		\$ 15,293,156
Missouri State University	\$ 94,001,060	\$ 94,001,060	\$ (3,449,270)	\$ 90,551,790
Missouri State University CARES	\$ -	\$ 31,333,687		\$ 31,333,687
Lincoln University	\$ 17,579,873	\$ 17,579,873	\$ (645,181)	\$ 16,934,692
Lincoln University CARES	\$ -	\$ 7,156,731		\$ 7,156,731
Lincoln University Land Grant Match	\$ 3,890,320	\$ 3,890,320		\$ 3,890,320
Lincoln University Land Grant Match CARES	\$ -	\$ -		\$ -
Truman State University	\$ 41,660,322	\$ 41,660,322	\$ (1,534,246)	\$ 40,126,076
Truman State University CARES	\$ -	\$ 13,886,774		\$ 13,886,774
Northwest Missouri State University	\$ 31,186,117	\$ 31,186,117	\$ (1,146,869)	\$ 30,039,248
Northwest Missouri State University CARES	\$ -	\$ 10,395,373		\$ 10,395,373
Missouri Southern State University	\$ 24,031,242	\$ 24,031,242	\$ (881,026)	\$ 23,150,216
Missouri Southern State University CARES	\$ -	\$ 8,010,414		\$ 8,010,414
Missouri Western State University	\$ 22,246,755	\$ 22,246,755	\$ (818,350)	\$ 21,428,405
Missouri Western State University CARES	\$ -	\$ 7,415,585		\$ 7,415,585
Harris-Stowe State University	\$ 10,461,260	\$ 10,461,260	\$ (385,256)	\$ 10,076,004
Harris-Stowe State University CARES	\$ -	\$ 3,487,087		\$ 3,487,087
University of Missouri Campuses	\$ 416,511,876	\$ 416,511,876	\$ (15,625,482)	\$ 400,886,394
University of Missouri Campuses CARES	\$ -	\$ 138,745,625		\$ 138,745,625
UMC Next Generation Precision Medicine	\$ 10,000,000	\$ 10,000,000		\$ 10,000,000
UMSL Biotech	\$ 550,000	\$ 550,000	\$ (416,622)	\$ 133,378
UMC Telemedicine	\$ 1,937,640	\$ 1,937,640		\$ 1,937,640
Spinal Cord Injury	\$ 1,500,000	\$ 1,500,000		\$ 1,500,000
Missouri Kidney Program	\$ 1,750,000	\$ 1,750,000		\$ 1,750,000
State Historical Society	\$ 3,563,170	\$ 3,254,367	\$ (813,592)	\$ 2,440,775
Seminary Investments	\$ 3,000,000	\$ 3,000,000		\$ 3,000,000
Seminary Interest	\$ 275,000	\$ 275,000		\$ 275,000
Grand Total	\$ 1,336,741,502	\$ 1,628,885,836	\$ (55,481,754)	\$ 1,573,404,082

Notes:

* The amount of funding for the 3% Statutory Reserve has not been reduced from funds in this column.

1. The amounts listed for State Technical College of Missouri and the Public Universities do not include debt offset in their core appropriations.
2. Community Colleges have a separate cumulative debt offset appropriation of \$2,856,000 which is also not listed above.
3. Transfers for financial aid programs are included in the totals above but the spending authority is not included in the totals.

FY 21 Higher Education Institution Funding								
Institution	FY 20 TAFP	FY 20 ER \$	FY20 Remaining	FY 21 TAFP (Excludes Fed Budget Stabilization)	FY 21 ER - Equal Treatment (10% GR Cut)	Add'l ER to Match FY 20 ER	Total Expenditure Restriction	FY 21 Remaining
Crowder College	5,752,689	(741,164)	5,011,525	5,752,689	(533,395)	(205,775)	(739,170)	5,013,519
East Central College	5,389,439	(686,669)	4,702,770	5,389,439	(499,407)	(192,661)	(692,068)	4,697,371
Jefferson College	7,864,997	(1,013,762)	6,851,235	7,864,997	(729,807)	(281,546)	(1,011,353)	6,853,644
Metropolitan Community College	31,587,077	(4,070,263)	27,516,814	31,587,077	(2,929,572)	(1,130,175)	(4,059,747)	27,527,330
Mineral Area College	5,675,616	(720,628)	4,954,988	5,675,616	(526,337)	(203,051)	(729,388)	4,946,228
Moberly Area Community College	6,294,400	(803,411)	5,490,989	6,294,400	(583,026)	(224,921)	(807,947)	5,486,453
North Central Missouri College	2,673,704	(341,640)	2,332,064	2,673,704	(247,593)	(95,517)	(343,110)	2,330,594
Ozarks Technical Community College	14,425,427	(1,846,213)	12,579,214	14,425,427	(1,335,354)	(515,155)	(1,850,509)	12,574,918
St. Charles Community College	9,117,102	(1,173,896)	7,943,206	9,117,102	(844,436)	(325,768)	(1,170,204)	7,946,898
St. Louis Community College	43,327,703	(5,574,457)	37,753,246	43,327,703	(4,016,909)	(1,549,651)	(5,566,560)	37,761,143
State Fair Community College	6,202,157	(798,953)	5,403,204	6,202,157	(574,918)	(221,792)	(796,710)	5,405,447
Three Rivers College	5,260,204	(671,001)	4,589,203	5,260,204	(487,300)	(187,991)	(675,291)	4,584,913
Community College Subtotal	143,570,515	(18,442,057)	125,128,458	143,570,515	(13,308,054)	(5,134,003)	(18,442,057)	125,128,458
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State Technical College of Missouri	6,030,371	(769,080)	5,261,291	5,480,956	0	(219,665)	(219,665)	5,261,291
University of Central Missouri	55,338,357	(6,966,185)	48,372,172	50,409,617	0	(2,037,445)	(2,037,445)	48,372,172
Southeast Missouri State University	45,879,469	(5,782,006)	40,097,463	41,785,098	0	(1,687,635)	(1,687,635)	40,097,463
Missouri State University	94,001,060	(11,882,364)	82,118,696	85,567,966	0	(3,449,270)	(3,449,270)	82,118,696
Lincoln University	17,579,873	(2,221,761)	15,358,112	16,003,293	0	(645,181)	(645,181)	15,358,112
Truman State University	41,660,322	(5,242,662)	36,417,660	37,951,906	0	(1,534,246)	(1,534,246)	36,417,660
Northwest Missouri State University	31,186,117	(3,931,257)	27,254,860	28,401,729	0	(1,146,869)	(1,146,869)	27,254,860
Missouri Southern State University	24,031,242	(3,040,999)	20,990,243	21,871,269	0	(881,026)	(881,026)	20,990,243
Missouri Western State University	22,246,755	(2,803,593)	19,443,162	20,261,512	0	(818,350)	(818,350)	19,443,162
Harris-Stowe State University	10,461,260	(1,316,484)	9,144,776	9,530,032	0	(385,256)	(385,256)	9,144,776
University of Missouri	416,236,876	(52,289,895)	363,946,981	379,297,463	0	(15,350,482)	(15,350,482)	363,946,981
Four-Year Institution Subtotal	764,651,702	(96,246,286)	668,405,416	696,560,841	0	(28,155,425)	(28,155,425)	668,405,416
Two- and Four-Year Institutions Total	908,222,217	(114,688,343)	793,533,874	840,131,356	(13,308,054)	(33,289,428)	(46,597,482)	793,533,874