

AGENDA ITEM SUMMARY

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Recommendations for Public Institutions' Appropriations
Coordinating Board for Higher Education
September 14, 2017

DESCRIPTION

The intent of this agenda item is to provide recommendations about supplemental budget requests for the current fiscal year and about institutions' operating budgets, including performance funding, for the upcoming fiscal year.

Background

As indicated in the Budget Overview, MDHE staff work closely with the Office of Administration's Division of Budget and Planning in the development of their budget recommendations. Budget and Planning provides guidance to all agencies in their annual budget instructions. That guidance is based on strategic direction established by the governor's office, projected fiscal conditions, and other factors deemed relevant. This year, the cover letter that accompanied the budget instructions directs departments to request additional funding only for mandatory items and permits departments to submit preliminary proposals for new funding for high-priority, non-mandatory items.

Recommendations

FY 2018 Supplemental Budget Request: Tax Refund Offset

FY 2019 New Decision Item Request - \$250,000 (Community Colleges)
FY 2019 New Decision Item Request - \$50,000 (Missouri State University)

Section 143.781, RSMo, authorizes the MDHE and public institutions of higher education to make tax refund offsets against debts owed to institutions. For FY 2018, appropriation authority of \$2,556,000 was provided for purposes of payment of income tax refunds set off against debt owed to Missouri's public community colleges by taxpayers. For the same fiscal year, Missouri State University received appropriation authority of \$300,000 for that purpose. As institutions increase the use of this mechanism to recover unpaid debts, and in the absence of an estimated appropriation, increases in this item are necessary to ensure there is sufficient spending authority to continue reimbursements to the institutions.

FY 2019 Institutions' Operating Budgets and Performance Funding

MDHE staff are developing recommendations regarding FY 2019 funding for institutions' operating budgets that reflect Governor Greitens' stated intent to make differential decisions about public colleges' and universities' funding and an increased emphasis throughout state government on funding programs based on performance measures. Those recommendations are not final as of the publication date for board materials. Any recommendations will be discussed with the Presidential Advisory Committee and board, with at least two weeks allowed for institutions to provide feedback before the board votes on the recommendations.

Additional FY 2019 Request

Tax Refund Offset: Amounts requested in the FY 2018 supplemental: \$250,000 increase in community colleges' spending authority and \$50,000 increase in Missouri State University's spending authority.

Conclusion

The requests described above represent priorities to which the department is committed. MDHE staff will continue to develop a recommendation for institutions' core operating appropriations and performance funding.

STATUTORY REFERENCE

Section 163.191, RSMo – CBHE statutory responsibility to develop an appropriations request for community colleges

Sections 173.005.2(2), 173.030(3), and 173.040(5), RSMo – CBHE statutory responsibility to establish guidelines for appropriations requests and to recommend a budget for each state-supported university

Section 173.005.2(7), RSMo – CBHE statutory responsibility for gathering data from state-supported institutions

RECOMMENDED ACTION

It is recommended that the Coordinating Board approve the budget requests described above for submission to the Governor and General Assembly.

ATTACHMENT(S)

None