

OFFICE OF THE PRESIDENT

February 24, 2011

Dr. David Russell, Commissioner
Missouri Department of Higher Education
205 Jefferson Street
Jefferson City, MO 65102

Dear Commissioner Russell:

In compliance with Section 173.1003.5, RSMo, notice of tuition and fee changes for Harris-Stowe State University effective the fall of 2011 session was submitted on January 28, 2011. Your response dated January 31, 2011, indicated the maximum increase permitted for the University under the Higher Education Student Funding Act (HESFA) is \$93.63. You also indicated that because Harris-Stowe's increase will exceed that amount, the penalty and waiver provisions of the HESFA have been triggered.

Please consider this letter and attachment as Harris-Stowe State University's official request for waiver of penalty. The attached executive summary of tuition waiver considerations provides detail of each of the criteria that will be used to evaluate a waiver requests according to the guidance provided by you. However, the increase in tuition and required fess approved by the University Board of Regents is well justified according to the "relationship between state appropriations and the consumer price index," the primary factor contained in Section 173.1003, RSMo.

We implore you to act on our request as soon as possible, for the University to ensure enrollment efforts necessary to and attract and enroll new students including financial aid packaging are not impeded. I look forward to discussing this request with you at your earliest convenience. The Harris-Stowe State University family is most appreciative of your unwavering support of the University's mission and consideration of this critical appeal.

Sincerely,

A handwritten signature in black ink, appearing to read "Henry Givens, Jr.", written over a horizontal line.

Henry Givens, Jr.
President

HG:cg



Executive Summary Tuition Waiver Considerations

In these difficult economic times, Harris-Stowe State University appreciated not having to endure a reduction in the state operating appropriation in the 2009-2010 fiscal year. On the other hand, with the 5.2% reduction in the state appropriation and flat tuition and fees, developing a balanced fiscal 2010-2011 budget was a major challenge.

As always, the University's top priority is to maintain the service levels of current programs. However, in spite of efforts to avoid employee layoffs or furloughs, for the first time in more than thirty years, Harris-Stowe State University had a workforce reduction of 12 FTEs to balance the fiscal 2010-2011 budget. This was after eliminating 13 FTEs through attrition. These and other difficult budget balancing measures included a major departmental reorganization, development of a revised strategic enrollment plan (reducing the number of underprepared incoming freshmen), and an overall team effort from the entire University.

Current projections suggest the probability of additional reductions in fiscal 2011-2012 within the range of 7.0 to 15.0%. Reductions of this magnitude will require Harris-Stowe State University to increase tuition well beyond the constraints currently mandated under Missouri law. As such, Harris-Stowe State University anticipates the need to request a waiver from the Commissioner of the Missouri Department of Higher Education to allow for increases in tuition and fees above the designated limitations of the Higher Education Student Funding Act (HESFA). It is with these considerations that the Harris-Stowe State University Board of Regents approved an increase in tuition and fees of 5.0% at its January 25, 2011 meeting.

In his letter dated January 18, 2011, the Commissioner has approved an increase in the student tuition and fees of \$93.63 (1.76%) for Harris-Stowe State University or the maximum allowed under the provisions of the Higher Education Student Funding Act (HESFA). However, the University's Board of Regents with the overall budget in consideration still approved an increase of \$266.00 or 5% for the 2011-2012 fiscal year.

An additional reduction of 7.0% in the state operating appropriation for the fiscal year 2011-2012 could require the elimination of as many as 22 FTEs if tuition was increased by 5.0% as the only budget balancing measure. If the currently approved increase of 1.76% is the University's only remediation to the appropriation reduction, 27 FTEs could be eliminated. Additional cutbacks in employee overtime compensation, faculty travel and department non-personnel budgets would be enacted in order to establish a balanced budget. ***With only an increase in the tuition and fees of the currently HESFA-allowed amount, the University will still have a budget shortfall of \$1.544 million the upcoming 2011-2012 fiscal year. A 5.0%***

increase in tuition and fees will leave the University with a budget shortfall of \$1.282 million for 2011-2012.

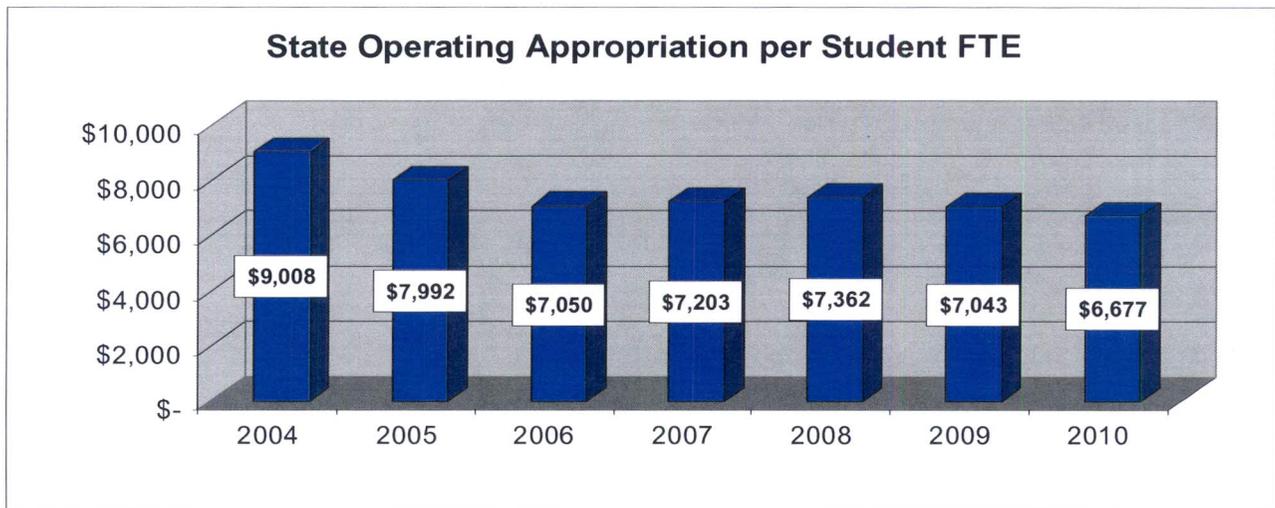
This executive summary addresses the criteria as requested in the Commissioner's January 31, 2011 letter to justify an increase of 5.0% in the tuition and fees at Harris-Stowe State University for the upcoming 2011-2012 fiscal year, and grant a waiver of the HESFA provisions as required in Section 173.1003, RSMo.

Criterion #1 – State operating appropriation for FY 2010 per student FTE for academic year 2009-2010 compared to the state operating appropriation for FY2011 per FTE student for academic year 2009-2010:

Using the fall semester as a benchmark, Harris-Stowe State University since implementing an open enrollment policy in 2004, has seen an increase of 40.9% in student FTEs through the fall semester of 2009, and 17.0% through 2010

With the opening of the University's first student residence hall in 2006, a gain in student FTEs of 16.2% was realized for that fall. With the opening of a second student residence hall in the fall of 2011, a similar increase in enrollment is anticipated.

During the period of 2004 through 2010, the state appropriation has remained fairly constant at an increase of 4.4%. While the ratio of state operating dollars was \$9,008 per FTE in 2004, it has dropped to \$6,677 as of the fall of 2010 or a 25.9% reduction in state support.



With the 2010-2011 reduction of 5.2% in the appropriation along with the projected reduction of 7.0% or more for 2011-2012, it becomes increasingly difficult to retain talented faculty and staff to provide high quality education to our students. FY 2011-2012 will be the third consecutive year that University employees will not have received a cost of living or merit

increase when at the same time, their teaching and workloads will increase due to staff reductions through workforce reductions.

With a modest endowment and nominal unrestricted gift and grant funds generated on an annual basis, the only measure that Harris-Stowe State University has to generate additional revenue is to increase its tuition and fees. A waiver of the HESFA act for 2011 is imperative for the University to ensure current service levels are maintained.

Over the past six years, Harris-Stowe State University has seen an influx of new student (freshmen) enrollees who are academically underprepared as a result of prior educational experiences (e.g. academic failure, poor preparation, low expectations). Of particular concern is the fact that the University cannot continuously enroll large numbers of these students and prevent them from falling further behind. The American Association of College and Universities (AAC&U) reports that "53 percent of students entering our colleges and universities are academically underprepared, *i.e.*, lacking basic skills in at least one of the three basic areas of reading, writing or mathematics" (Tritelli, 2003). This is a 33 percent increase in the number of academically prepared students since 1996 (National Center for Educational Statistics).

Consequently, strategic enrollment management has become a vital element in the academic re-organizational structure at Harris-Stowe State University. With limited financial resources, the University had to balance the need to attract and admit a freshman class that fits well with the institution, and also provide the necessary academic support to allow for diversity in student body. This is not a simple task. Because of its complex mission – to serve the higher education needs of the metropolitan St. Louis region – the strategic enrollment plan focuses on what is best for the HSSU students, and how to ensure their success while addressing all aspects of the University's mission.

Criterion #2 – Mandatory costs that have increased at a rate that exceeds the increase in CPI, including but not limited to increased costs incurred in connection with the implementation of new mandates or legal requirements:

During the past several years, Missouri's colleges and universities have reacted to not only reduced state funding, but increased fixed costs in areas such as spiraling employee health insurance premiums and retirement contributions, enhanced technology demands, and escalating utility expenses. For example, increased MOSERS contributions are estimated at 13.97% for the regional universities. These fixed costs must be borne by the institutions without additional consideration at the state level.

Since the 2003 – 2004 fiscal year, the contribution rate that the University contributes to the MOSERS state retirement plan for staff has risen by 29.8% with another increase slated to take effect in July, 2011. During this same period, the University contribution rate to the CURP retirement plan for newer faculty has increased by 2.6%.

Through a change in insurance carriers and lower employee utilization of the health insurance plan, Harris-Stowe State University has been able to hold annual health insurance premium increases since 2004 to approximately 12% which is far less than the national average

over this same period. However, while annual premium increases remain low, as recently as 2006, the University was able to pay all of the health premiums for employees electing single coverage which is the most popular selection of its coverage options. But with a large increase in premiums projected for January, 2006 and an unlikely increase in state support due to revenue shortfalls, the University for the first time was required to pass on a portion of the burden of the medical insurance cost to the all employees. Another double-digit percentage increase in the following year affected the University and employees alike.

	Fiscal Year						
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
MOSERS	10.64%	12.59%	12.78%	12.84%	12.53%	12.75%	13.81%
	% Change since 2004						29.79%
CURP	7.57%	7.81%	7.84%	7.87%	7.88%	7.71%	7.77%
	% Change since 2004						2.64%
Medical Benefits	\$ 800,370	\$ 836,387	\$ 977,139	\$ 971,471	\$ 1,003,730	\$ 1,114,835	\$ 1,287,571
	% Change since 2004						60.87%
Unemployment	\$ 2,432	\$ 14,983	\$ 19,912	\$ 29,685	\$ 12,937	\$ 24,518	\$ 62,840
	% Change since 2004						2483.88%

With no salary increases for the past three years and the medical costs burden for the employees rising, the University has lost key faculty and staff to other universities and to industry over the past few years.

Despite the University's best efforts to reduce or at the very best contain heating and electrical energy costs, factors out of its control have contributed to increases in these types of expenditures. In 2010, Ameren UE petitioned the Missouri Public Service Commission and was granted a rate increase of 10% for commercial customers. A similar level of increase has been requested for 2011 as well. Additionally, Laclede Gas Company has also been granted rate increases over the past few years with more expected again in the very near future. And finally, over the past year, the Metropolitan St. Louis Sewer District implemented a new charge for storm sewer run-off which also had a significant negative impact upon the University's utility budgets.

With the 2010 reduction in the operating appropriation leading to layoffs of incumbent faculty and staff combined with other cost-cutting outsourcing efforts undertaken by the University mainly in the areas of Campus Public Safety, Harris-Stowe State University has seen an increase in its unemployment compensation costs since 2004 from \$2,400 a year to over \$62,000 in 2010 or an increase of approximately 2500%. With future reductions in the appropriation leading to more workforce reductions, this cost will continue to rise.

Criterion #3 – Historical trends in the institution's operating appropriations, tuition policy and other financial issues and relationships:

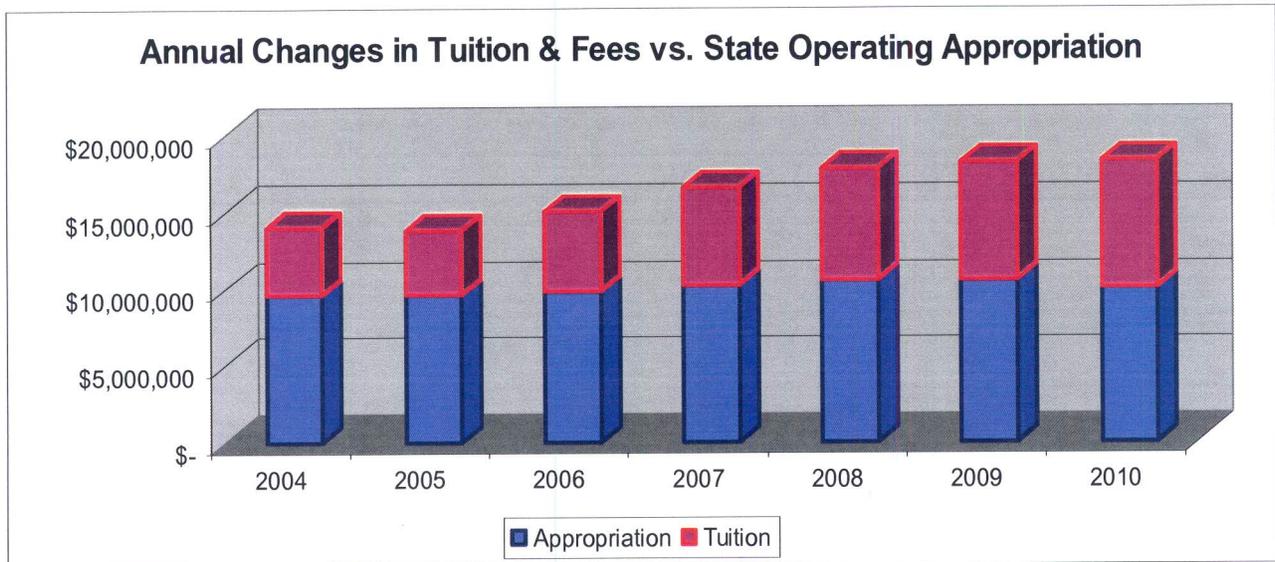
As previously mentioned in Criterion #1, the University has seen approximately a 4.4% increase in its state operating appropriation since 2004. Over this same period, the University has increased its in-state hourly tuition rate from \$135.50 per credit hour to \$164.00 per hour.

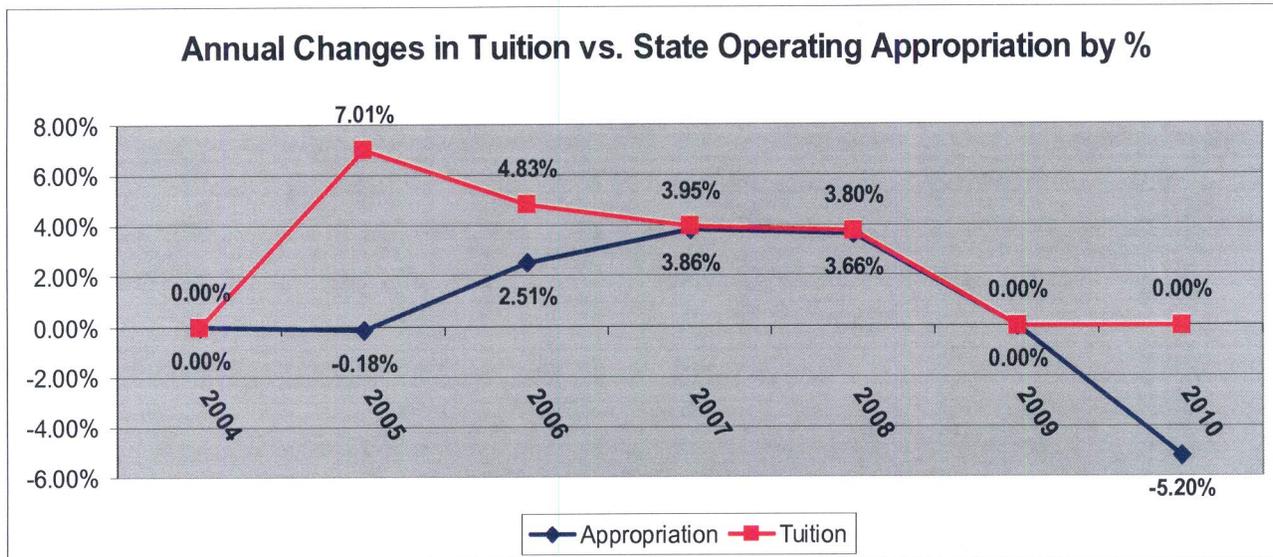
However, due to agreements made between the state college and university presidents and the governor of the State of Missouri, tuition and fee rates have remained flat for three consecutive years.

Despite the modest increases in tuition, Harris-Stowe State University remains as the 2nd lowest cost four-year public college or university within the State, and the most affordable baccalaureate degree in the greater St. Louis metropolitan area.

The current other mandatory student fees of \$200 per session remain some of the lowest in the state for public institutions. The only significant increase was seen in 2005 with the introduction of a student center fee to support student services provided to all students with the opening of the Gillespie Residence Hall and Student Center in the fall of 2006.

As noted in the chart below, the revenues generated by student tuition and fees is rapidly approaching the level of state appropriation support that the University receives on an annual basis. And as previously detailed, the state appropriation has remained relatively constant or been reduced over the past six years, while the tuition rate has grown modestly.





Harris-Stowe State University has been a part of the State of Missouri higher educational system since 1979. It is currently the smallest university in the state system and one of two institutions (Lincoln University being the other) that have been recognized by the United States Department of Education as a Historically Black College and University (HBCU).

More than 75% of our students are first-generation college students and 90% of our students are Pell-eligible, reflecting their status as being from low-income families. Additionally, more than 85% of our students receive financial aid support for their education costs; primarily from Federal Pell Grants, Federal Stafford Loans, the Federal Work-Study program, and the Missouri Access Scholarship program.

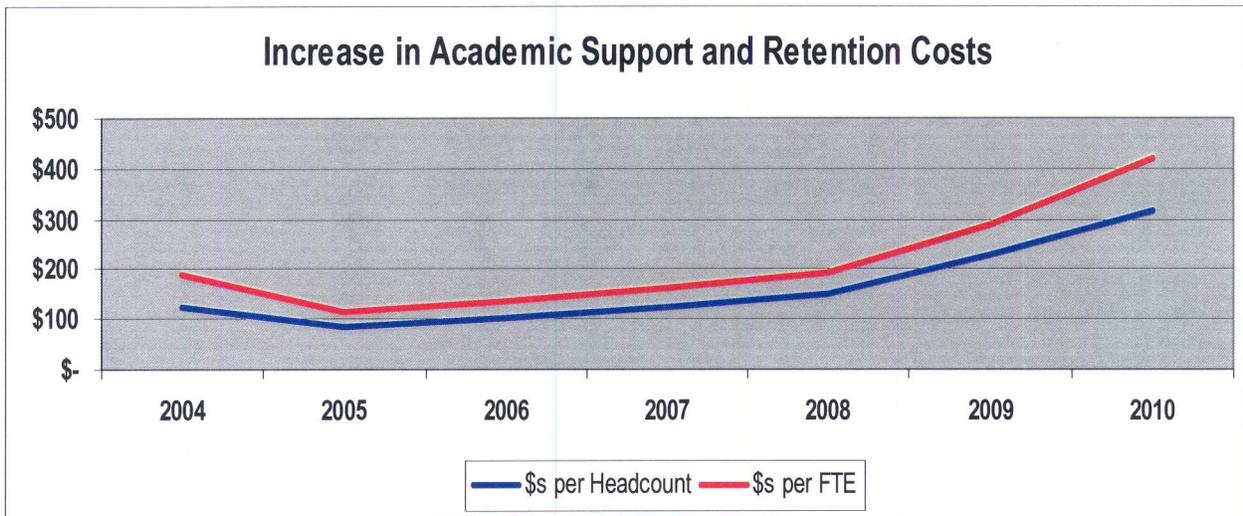
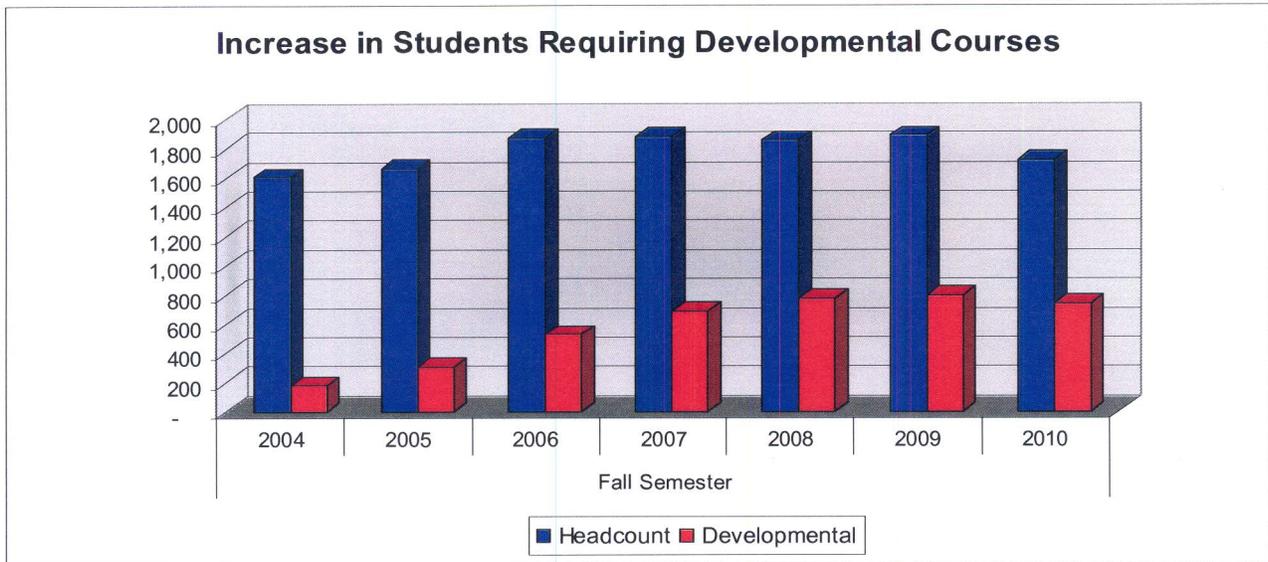
Criterion #4 – Costs related to your institution’s mission that requires growth in revenues in excess of the increase in the CPI.

Harris-Stowe State University is one of three public universities in the state that have an open enrollment policy. The open enrollment policy aligns with the University’s mission to serve the unmet needs of the St. Louis metropolitan area students who desire to pursue higher education; access to higher education is a right, not a privilege. Therefore, Harris-Stowe State University prides itself on the diversity of the learners who walk through its doors.

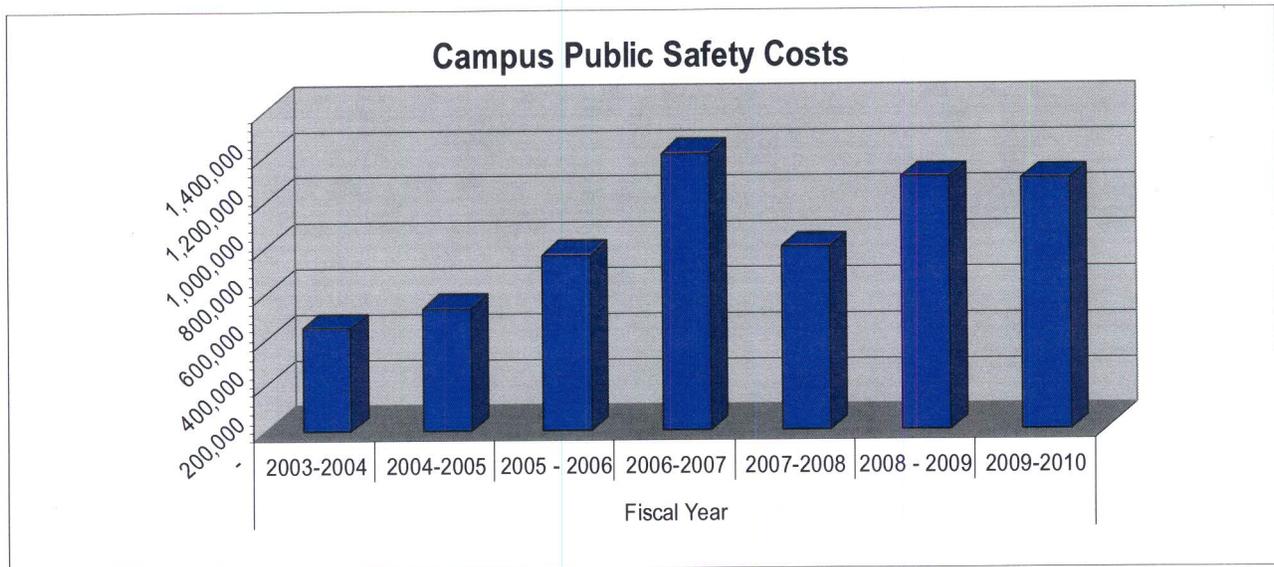
The Center of Retention and Student Success enables the University to provide a strong academic foundation for those underprepared. Programs such as the Academy of Math and Science allows for Harris-Stowe to prepare first year scholars to successfully pursue degrees in the area of Math, Engineering, Technology and Science (METS).

There are inherent challenges an open enrollment institution must address. As previously mentioned some students may be underprepared in certain areas. Therefore the University invests significant resources in improving student success and retention.

With the inception of the open enrollment policy in the fall of 2004, the University has seen an increase of over 40% in student FTEs, but over that same period, it has seen an increase of 313% in the number of students needing developmental courses. The amount of financial resources the University has invested in improving student success and retention has grown by over 171% from 2004 to 2010.



Another aspect of being accessible to students in the metropolitan St. Louis area is to provide a safe environment for our faculty, staff, students and community. As a public university in an urban setting combined with a campus that is growing each year, costs for security and public welfare have risen dramatically over the past six years. Costs for public safety have increased by 142% from 2004 to 2010, or 5% of our University's operating budget.



Criterion #5 – Costs related to other initiatives designed to meet specific needs of the State of Missouri that require growth in revenues in excess of the increase in the CPI:

Course Redesign Initiative

Harris-Stowe State University is actively involved in the Course Redesign Initiative, one of the major higher education thrust by Governor Jay Nixon. Faculty from every academic school and colleges at Harris-Stowe has participated in various statewide workshops in this regard. The statewide goal is to redesign 13 courses. Harris-Stowe State University’s goal is to provide leadership over course redesign in intermediate algebra and share the course with various institution across the state.

New Degree Programs

Harris-Stowe State University submitted application to the MDHE for two new METS degree programs in Biology with emphasis areas in Pre-Medical and Urban Ecology and Mathematics. These two new degree programs were approved for the fall 2010 academic semester. These two degrees align with statewide goals of increasing graduate in the METS field and to provide opportunities for underserved populations. The institution received a \$2.5 million grant from the National Science Foundation to promote science and mathematics at the University. Through the grant, the institution provides undergraduate research opportunities, summer programs for students to strengthen their math and science fortes and mentoring and tutoring for students in METS.

To enhance its ability to meet its mission, the University continues to make a sizeable annual investment in information technology. Over the past five years, Harris-Stowe State University has expended over \$8.3 million in infrastructure purchases, upgrades, improvements

and enhancements to provide our students, faculty and staff the state-of-the art computing resources that are available today.

Those upgrades that have already occurred and those planned for the very near future include:

- Added student email (in partnership with Microsoft's Liveness program)
- Full rollout of student campus portal solution
- Upgraded all classrooms with Smart Technology
- Implemented enhanced network security system
- Doubled University's bandwidth from 10 mb/s to 20 mb/s
- Implemented IT infrastructure in new Early Childhood Building
- Consolidated IT operational departments into a single unit
- Implemented new disaster-recovery system and enhanced data protection services
- Implemented campus faculty-staff e-mail archiving with one year retention
- Upgraded Anheuser Busch School of Business common area technology
- Formed Institutional Research model to assist with assessment and hired an Institutional Research Coordinator
- Formed Executive Steering Authority for IT Projects for improved oversight
- Underwent first external IT-specific security audit
- Implementing virtual infrastructure
- Implementing Retention Management System to flag at-risk students
- Implementing paperless requisitioning
- Upgrading user-interface to accounting, enrollment management, and HR systems

One particular project mentioned above that will specifically address state initiatives in terms of retention and student success is the development of a Retention Management System (RMS). The goals of this project are to reduce student attrition, increase graduation rates and provide Enrollment Management with a tool to be able to monitor the effectiveness of retention strategies

During the past two years, Harris-State State University has participated in the Caring for Missourians initiative with funding provided the State of Missouri through the Federal Government Stabilization Program of 2009. The University received approximately \$495,000 over two years with the charge of improving healthcare literacy among St. Louisans. The funding was included as a supplement to the University's operating appropriation in 2009 and was to be expended over fiscal years 2010 and 2011. This supplemental appropriation amounted to 2.5% of the University's total appropriation for those years and will end at the expiration of the current fiscal year. This loss of funding will provide additional financial hardships on the University and the academic programs that provided services under the Caring for Missourians program.

Criterion #6 – The current and/or historical structure of the institution’s total budget, including the allocations for faculty and non-faculty salaries, institutional financial aid, student support, research, physical plant maintenance and all other operational activities:

The growth of the institutional budget for Harris-Stowe State University is contingent upon the projected annual increases in its two main streams of revenue; the state operating appropriation and tuition and fees.

Since 2004, the total budget for the University has grown by 33% from \$14.5 million in 2004 to \$19.3 million in 2010; however the majority of that growth occurred prior to the current period of flat tuition and reductions in the state appropriation. Over the past two fiscal years, the budget has grown at the rate of 1.2% per year with those increases attributed mainly to the projected raises in mandatory expenses such as state retirement plans, health costs and utilities.

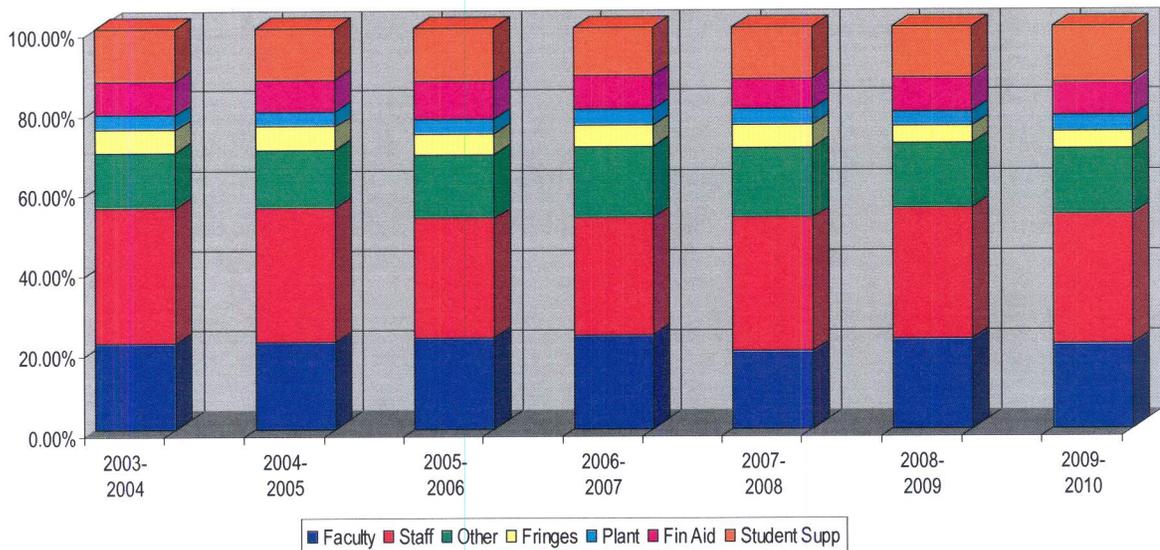
Salaries, wages and fringe benefits continue to be the largest component of the annual budget, making up approximately 70% of the University’s expenditures. This ratio of the total budget has been consistent for the past six years. However with that said, the breakdown of salaries versus fringe benefits has changed during that period. While in 2003-2004, fringe benefit costs accounted for 13.81% of the total budget, that expense had risen to 16.48% of the budget in 2009-2010. This can again be attributed to the rising costs in mandatory expenses such as state retirement plans for faculty and staff and medical benefit and insurance increases.

In fact, despite the recent reductions in revenues due to no increase in tuition or the state appropriation, the University through the search for external funding has been able to sustain a balanced budget with nominal growth while continuing to maintain current service levels.

Budgeted dollars for institutional financial aid has accounted for 4 to 6% of the annual budget. Student support costs amount to approximately 4% of the budget. Physical plant and maintenance (non-personnel) costs range from 8 to 10% annually, and finally, other operational activities have accounted for 13% of the annual institutional budget.

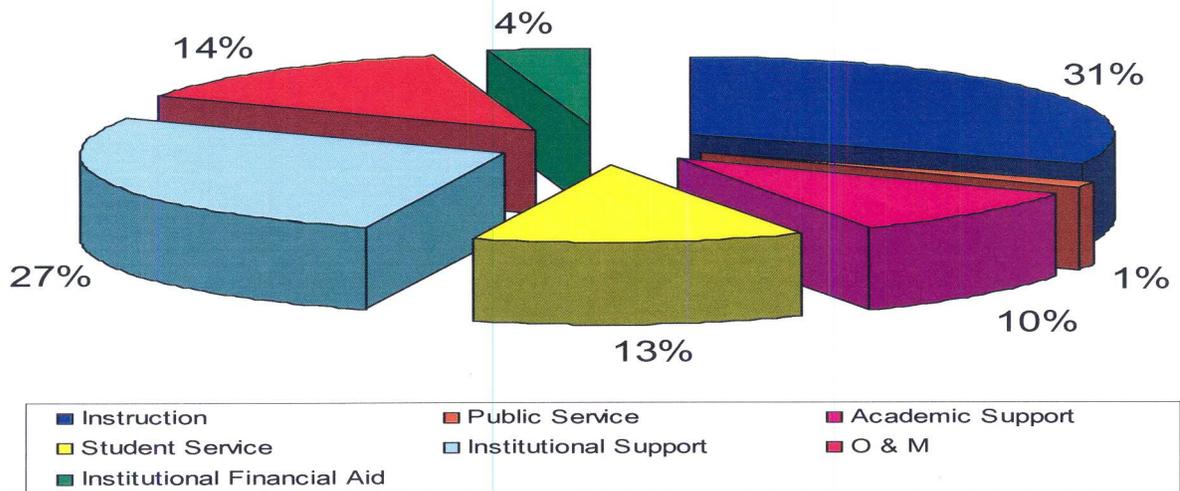
	Fiscal Year - Annual Operating Budget						
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Faculty Salaries	3,092,393	3,232,369	3,623,202	3,895,898	3,621,618	4,232,729	4,041,152
Staff Salaries	4,819,127	4,938,414	4,674,465	4,817,699	6,171,407	6,118,247	6,145,072
Fringe Benefits	2,005,284	2,190,930	2,563,282	3,006,778	3,346,514	3,075,717	3,184,059
Institutional Financial Aid	851,643	851,642	835,643	883,388	1,026,815	813,050	815,050
Student Support	630,028	665,260	685,452	745,815	863,000	816,000	861,000
Physical Plant	1,201,456	1,200,866	1,545,371	1,413,721	1,425,483	1,641,700	1,628,000
Other Activities	1,915,426	1,899,260	2,077,155	2,004,806	2,406,000	2,352,645	2,649,600
Grand Totals	14,515,357	14,978,741	16,004,570	16,768,105	18,860,837	19,050,088	19,323,933
% Change	0.0%	3.2%	6.8%	4.8%	12.5%	1.0%	1.4%
					% Change since 2004		33.13%

Operating Budget FY 2004 - FY 2010

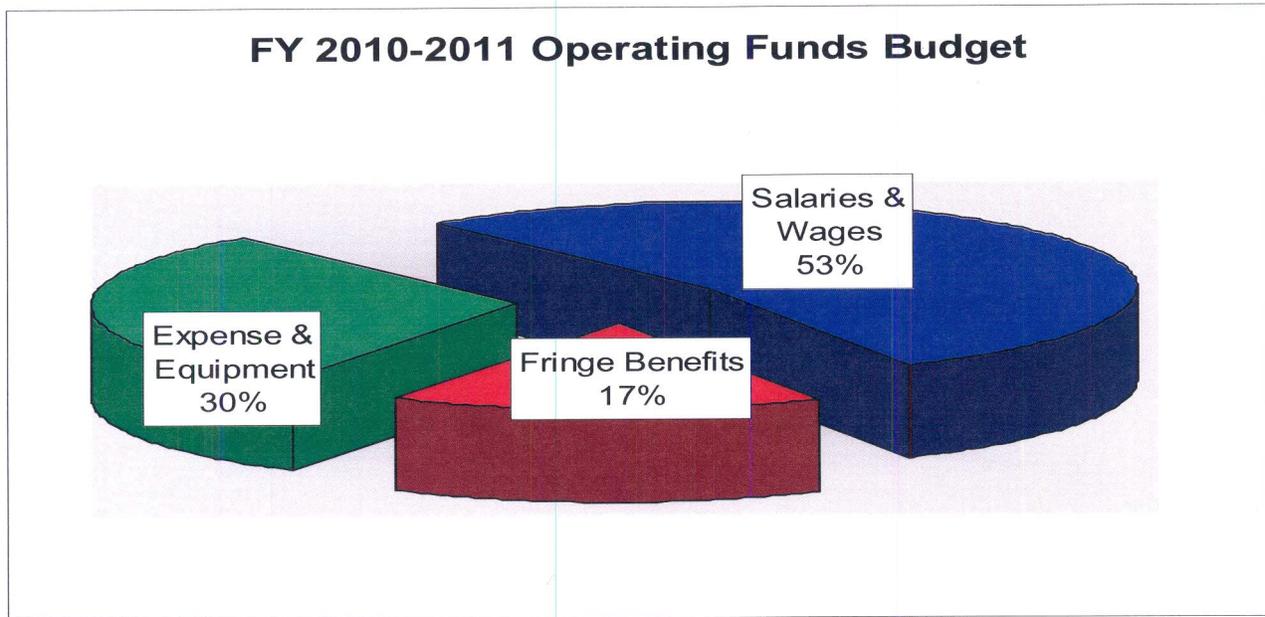


As shown in the figure below, the largest percentage of the University’s annual budget is spent on providing services for its primary mission. Approximately 60% of the total institutional budget is spent in the areas of instruction, public service, student and academic support and institutional financial aid. Operations and maintenance costs continue to rise due to the costs of maintaining University facilities and increases in mandatory costs such as utilities. Finally, institutional support accounts for approximately 27% of the annual operating budget.

FY 2010-2011 Budget by Program Classification



Despite reductions of 25 total FTEs in the University's workforce for the fiscal year 2011-2012 and no increases in salary for the second consecutive year, salaries, wages and fringe benefits still account for 70% of the total operating budget. Increases in mandatory expenses for state retirement programs for faculty and staff and increases in medical benefit costs account for an ever increasing component of this expenditure.



Criterion #7 – Damage, destruction, or deterioration of facilities, infrastructure, property or other physical assets of an institution for which there are insufficient funds from state appropriations or insurance proceeds to repair or replace:

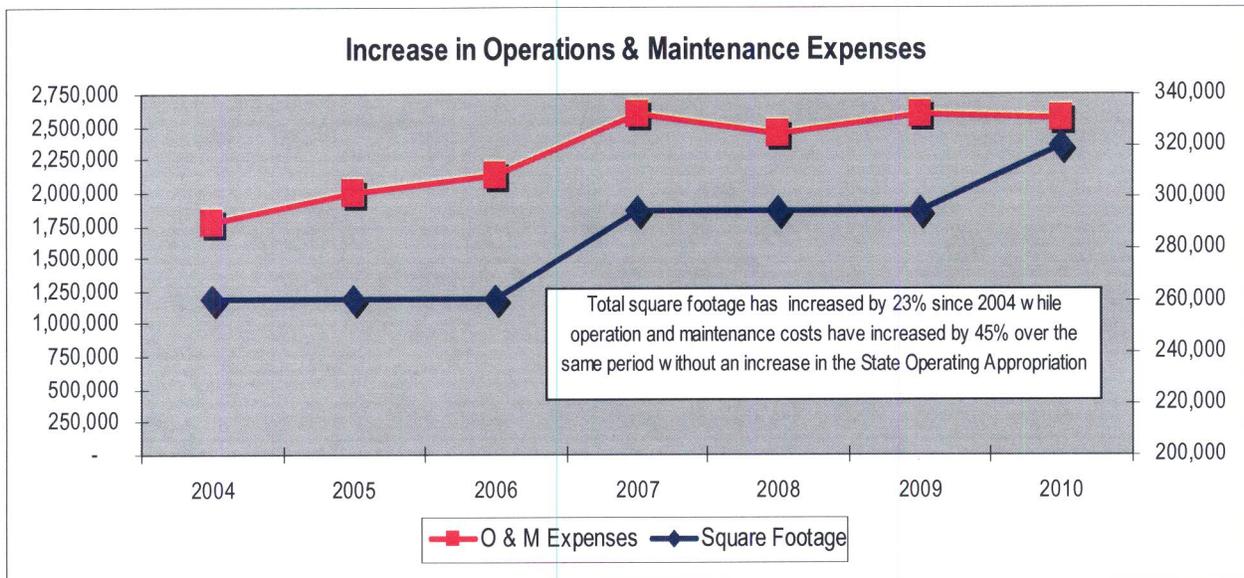
Harris-Stowe has several high-quality new buildings, including a state-of-the-art early childhood development and parent education center, residence hall, library, and performing arts center. Each of these buildings enhances Harris-Stowe's ability to accomplish its mission. These buildings were constructed with a variety of funds, including state and federal appropriations, bonds, and private donations.

Many classes at Harris-Stowe are, however, delivered in buildings that have serious deficiencies. One example is the Dr. Henry Givens Jr. Administration Building (commonly known as the Administration Building). This historic building has pervasive problems that may have a negative impact on the educational programs delivered in the building. The Administration Building, which is the hub of the Harris-Stowe campus, is almost 100 years old. It is the university's primary instructional facility, providing space for 80% of classes offered by the institution. The building is also an important piece of St. Louis history, having initially served as Vashon High School. The Administration Building shows its age: Its roofs and boiler are in desperate need of replacement or repair, and the failure of either would result in massive disruption of classes and administrative services, and in significant unbudgeted expenditures. In

addition, the Administration Building has a number of other problems that impact instruction and the instructional environment, including seriously outdated science labs, greenhouse-style lab space that cannot be used because of leaks, peeling paint caused by water infiltration, cracked and buckling floors and ceilings damaged by leaks or broken pipes. Some of these problems, such as outdated science labs served by decades-old fume hoods, create potential safety hazards.

Other campus buildings also have physical problems that negatively impact the learning environment. The Anheuser-Busch School of Business (commonly referred to as the South Campus) has a leaking roof and rusted gutters that cause damage to sidewalks and courtyards, as well as a heating and cooling system that does not properly regulate the building's temperature. The building also has rooms that are laid out in a manner that is not conducive to instruction, and the parking lot that serves the building is far too small to meet student need. The relatively new Emerson Performing Arts Center has leaks that have caused significant indoor flooding, and cracks are developing in the building's walls. One important aspect of providing accessibility to students is to provide a clean and well-maintained campus and set of buildings. Since 2004, Harris-Stowe State University has opened three new buildings and developed a business campus all without an increase in the state operating appropriation for these facilities. Total net assignable square footage has increased by approximately 23%,

Costs including personnel to support and maintain the current physical plant have risen by over 45% since 2004 to over \$2.5 million or approximately 25% of the state operating appropriation.



Examples of Deteriorating Campus Facilities:



The roof of the Administration Building allows water inside.



The Administration greenhouse lab has been severely damaged by water infiltration.



The walls and ceiling are cracked and leaking in the Busch School of Business building.



Windows are broken and paint is peeling from doors in the former Vashon Community Center.

Criterion #8 – Actions your institution has taken to reduce costs and become more operationally and financially efficient. Examples may include, but are not limited to, any elimination or restructuring of academic programs or reduction in administrative structure or staff:

To offset the reduction in its operating revenues due to cuts in the state operating appropriation and holding tuition and fees flat, Harris-Stowe State University implemented the following measures to absorb the funding shortfall:

1. A total of 12 unfilled positions were eliminated ***through attrition:***
 - (5) Faculty positions
 - (2) Professional Staff positions

- (3) Clerical Support positions
2. Other Support Staff position
 - (1) Technical Support Staff position
3. For the first time in more than 30 years, an additional 13 then-current faculty and staff employees were *laid off* as a result of department reorganization or job elimination:
 - (2) Faculty positions
 - (9) Professional Staff positions
 - (1) Clerical Support position
 - (1) Science Tech Staff position
4. Additional savings were attained by adjusting the level of contracted public safety officers to direct hire positions, while insuring adequate coverage for the University's urban campus.
5. Overtime compensation for staff employees was reduced by 20%, and additional protocols were implemented to monitor and control costs.
6. Other than instructional units, occupancy and scholarship funds, non-personnel department budgets were reduced by 2%, which followed a 5% reduction in prior years.
7. Department travel budgets were reduced by 20%; requiring additional levels of approvals for travel were instituted.
8. Beginning with the fall, 2009 semester, classroom capacity was increased thereby reducing adjunct instructor costs.

Cost Efficiency Measures Enacted by the University in Recent Years

1. In August, 2005, the University secured loans of \$3.2 million to initiate an energy savings program for the main campus building, the Dr. Henry Givens, Jr. Administration Building. The loans are payable over a period of 15 years from the savings achieved via lower utility costs. A loan from the Missouri Department of Natural Resources for \$850,000 was included within the total funding package for this project.
2. In 2009 and in order to achieve savings on campus electrical and plumbing costs, the University hired its own in-house electrician and plumber. Savings of over \$100,000 have been realized with this cost-saving move.
3. Rather than undertake the more costly method of replacing major physical plant fixtures, structures or equipment such as roofs and water heaters, these items have been patched and repaired. Although more cost efficient in the short run, the

structures continue to age and decay and will require a major capital influx of funds for replacement in the future.

4. The William Clay, Sr. Early Childhood Building which was built with funding provided by the Lewis and Clark Initiative, opened in 2009 and is a fully certified LEED facility by the US Green Building Council, ensuring reduced energy costs for this facility.

Increases in External Funding to Offset Reductions in the Institutional Budget

1. In 2008, the University received a 2 year grant for \$760,000 per year from the US Department of Ed and the Title III – CCRAA initiative. The award was used to upgrade the technology and furnishings of all University classrooms; renovate the science labs; and roof replacement and tuck pointing of the administration building. In the summer of 2010, President Obama signed legislation which will extend the funding for this program and the University for an additional 10 years.
2. In 2008, the University was awarded a five-year \$2.5 million grant from the National Science Foundation to promote the growth of students entering the METS fields (math, engineering, technology and science).
3. In 2009, a \$1,000,000 grant was awarded from the National Parks Service and the US Department of the Interior to help preserve the former Vashon Community Center, a structure on the National Historical Registry.
4. In October, 2010, the University was awarded a \$5,000 grant from the United Negro College Foundation to improve campus sustainability and energy efficiency.
5. In 2010, with use of gift and grant funds, the Anheuser-Busch School of Business library was renovated at a cost of \$95,000.
6. Overall, the University has seen a 42% increase in external funding since 2005. This aligns with the statewide goal of increasing external funding to support higher education. Harris-Stowe State University's external funding allows the institution to provide financial support to students and strengthen research opportunities and scholarly endeavors for both faculty and students.

Criterion #9 – Any other extraordinary circumstances:

All of the circumstances indicated above are considered extraordinary and warrant the increase in tuition and required fees as approved by the Harris-Stowe State University Board of Regents.

Criterion #10 – Public comments about the material posted on the MDHE website pertaining to the institution’s waiver request:

(This section intentionally left blank awaiting public comment)