



Tab 28 FY 2021 Budget Request

Coordinating Board for Higher Education
June 5, 2019

BACKGROUND

Section 173.1540, RSMo, requires public universities to prepare annual budget requests and submit them to the Department of Higher Education. The department is required to review those requests and prepare appropriation recommendations. Section 163.191.2, RSMo, contains a similar provision pertaining to community colleges' budgets: "The department of higher education shall review all institutional budget requests and prepare appropriation recommendations annually for the community colleges under the supervision of the department." Section 178.638, RSMo, indicates that "all funds designated for [State Technical College] shall be included in the coordinating board's budget request." Although the law assigns responsibility to the department – at least for the public universities and community colleges – the department's practice has been to seek the Coordinating Board's approval of those recommendations.

The law also provides, "In consultation with the heads of the institutions of higher education affected and against a background of carefully collected data on enrollment, physical facilities, manpower needs, [and] institutional missions, the coordinating board for higher education shall establish guidelines for appropriation requests by those institutions of higher education" (§ 173.005.2(3), RSMo).

CURRENT STATUS

For FY 2021, MDHE staff plan to request the following funding for higher education, ranked in order of priority:

- 1) **Performance Funding:** Increase to core operating appropriations based on the performance funding model, with each institution earning up to a percent increase linked to the rate of inflation. The performance measures are:
 - a) Public Universities: Completions per FTE student, pass rates on assessment or professional licensure exams, and graduate outcomes;
 - b) Community Colleges and MSU-West Plains: Three-year graduation and transfer rate, pass rates on professional licensure exams, and graduate outcomes; and
 - c) State Technical College: Three-year graduation rate, major field assessment pass rate, and graduate outcomes.
- 2) **Per-Student Funding Adjustment:** Increase to core operating appropriations based on the model adopted by the Coordinating Board in September after additional consultation with institution representatives and other stakeholders.
- 3) **MoExcels:** One-time increase to establish or expand academic programs linked to high-demand occupations.
- 4) **Maintenance and Repair:** Additional ongoing funding for all public institutions, distributed according to the historic pro rata model.
- 5) **Capital Funding:** Institutions may request funding for capital projects. Requests will initially be scored using a rubric based on the CBHE's [Guidelines for Selecting Priorities for Capital Improvement Projects for Public Colleges, Universities, and Community Colleges](#). The proponents of the top ten projects will present to the CBHE before the board makes its final recommendations. The ranked list will then be presented for the Governor's and General Assembly's consideration in the appropriations process.

A note about Higher Education Capital Fund (50/50) projects: The MDHE is required to certify projects that meet the statutory criteria for designation as 50/50 projects. The process and timeline for seeking certification will remain the same. 50/50 projects will be considered and ranked through the same process as the rest of the capital funding list.

- 6) **Missouri Returning Heroes Reimbursement:** The statute that establishes the Missouri Returning Heroes Education Act allows public colleges and universities to seek reimbursement for tuition waived pursuant to the act. If we proceed with this request, you will need to provide information about the amount of tuition waived in FY 2019.
- 7) **New Decision Items:** 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

Item	Next Steps
Performance Funding	No institution action required at this time. MDHE staff will work with institutions to collect and review data. The CBHE will meet by teleconference in early January to certify performance funding results.
Per-Student Funding Adjustment	No institution action required at this time. This item will be included in the CBHE’s FY 2021 budget request approved in September.
MoExcels	<p>Applications are available online.</p> <p>July 20: Deadline to request funding for “other” expenses</p> <p>August 1: Deadline to submit proposals</p> <p>August 23: Projects ranked</p> <p>September 3: Proponents of top projects present proposals to CBHE Budget & Financial Aid Committee</p> <p>This item will be included in the CBHE’s FY 2021 budget request approved in September.</p>
Maintenance & Repair	No institution action required at this time. This item will be included in the CBHE’s FY 2021 budget request approved in September.
Capital Funding	<p>June 17: MDHE staff will distribute capital request forms</p> <p>August 1: Deadline to submit proposals</p> <p>August 9: Projects ranked</p> <p>September 3: Proponents of top projects present proposals to CBHE Budget & Financial Aid Committee</p> <p>Capital funding requests will be included in the CBHE’s FY 2021 budget request approved in September.</p>
Missouri Returning Heroes Education Act Reimbursement	<p>June 17: MDHE staff will distribute forms for seeking reimbursement</p> <p>August 1: Deadline to submit request for reimbursement</p> <p>This item will be included in the CBHE’s FY 2021 budget request approved in September.</p>
New Decision Items	<p>June 17: MDHE staff will distribute forms for submitting requests</p> <p>August 1: Deadline to submit request</p>

This item will be included in the CBHE's FY 2021 budget request approved in September.

RECOMMENDATION

This is an information item only.