



UNIVERSITY OF MISSOURI SYSTEM

Fiscal Year 2012

Appropriations Request for Operations

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University of Missouri System

Fiscal Year 2012

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FY2012 APPROPRIATIONS REQUEST FOR OPERATIONS

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Summaries

The University of Missouri System: Advancing Missouri

Every day, in so many ways, the University of Missouri is advancing the health, economy, culture, and wellness of the state of Missouri. We take seriously our role as the state's sole public, research, land-grant university and our mission to serve the state's citizens.

The university granted more than 15,000 degrees in 2010—and with these graduates come the realized dreams of their family and friends and the very real potential to make the world a better place. This fall the University will educate more than 70,000 students. We educate more health care professionals, including doctors, nurses, physical therapists, pharmacists, and dentists, than any other institution in the state. This is becoming increasingly more important given Missouri's population demographics.

We are pioneers in research. Examples abound from all of our campuses about ground-breaking research that truly has the potential to change the course of mankind. In fact, our technology transfer program recently exceeded \$10 million in licensing income for the first time ever, and our invention disclosures filed increased by 17.5 percent compared to 2008.

There is work still to be done, however. We must continue to educate the state about the value of higher education to our citizens; create programs to improve children's preparation for college beginning at a young age, particularly in the math and science fields; grow our research and economic development efforts to advance Missouri's economy; take advantage of opportunities like e-learning and our Health Sciences Center; and create a new approach for capital requirements. We must also pay close attention to our faculty retention and recruitment in light of current faculty salaries.

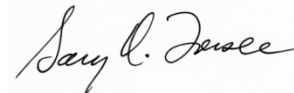
Fulfilling our unique role, however, requires a level of support needed to ensure that the quality and integrity of the University of

Missouri is maintained. The university's request for state appropriations funding for operations in Fiscal Year 2012 is \$552 million. While economic conditions and state budget issues may preclude us receiving our full request we feel it is imperative that Missourians understand the fiscal support necessary for the university to fulfill its mission.

Cognizant of our responsibility to use our resources wisely and keep a University of Missouri education affordable, we have worked to control expenditures through administrative efficiencies and increased revenues from other sources to balance the budget and continue operations. In FY10, the university continued to implement a number of cost-containment measures, including hiring and spending freezes, business process improvements, academic program consolidation, and energy conservation to address growing financial concerns due to the economy. While on-going cost containment is critical, continuation at this level over the long term will have an impact to the university's service levels.

Most of our accomplishments rely on funding provided by state appropriations to provide the base support for all of our efforts. We are always mindful of the responsibility taxpayers entrust to us through their dollars. We will continue to be good stewards of these funds and remain committed to ensuring the university continues to advance the state of Missouri. Without your support, we would not be the state's public higher educational institution of choice.

Sincerely,



Gary D. Forsee
President, University of Missouri System

Statistical Highlights

Campuses Columbia, Kansas City, Rolla, and St. Louis

Enrollment, Fall 2009

MU:	31,237
UM-Kansas City:	14,799
MO Science & Technology:	6,814
UM-St. Louis:	16,534
Total enrollment:	69,384
<i>(74 percent undergraduate, 26 percent graduate and first professional students)</i>	

Total degrees granted, FY09: 14,747

Total faculty, Fall 2009: 7,588
(68 percent full-time, 32 percent part-time)

Total staff, Fall 2009: 16,638
(75 percent full-time, 25 percent part-time)

Total student financial aid: \$728,260,789
(in grants, loans, work programs, scholarships, fellowships and other aid)

Net book value of capital assets: \$2.4 billion
(as of June 30, 2009)

Land holdings: 19,433 acres

Grants and contracts expenditures, FY09

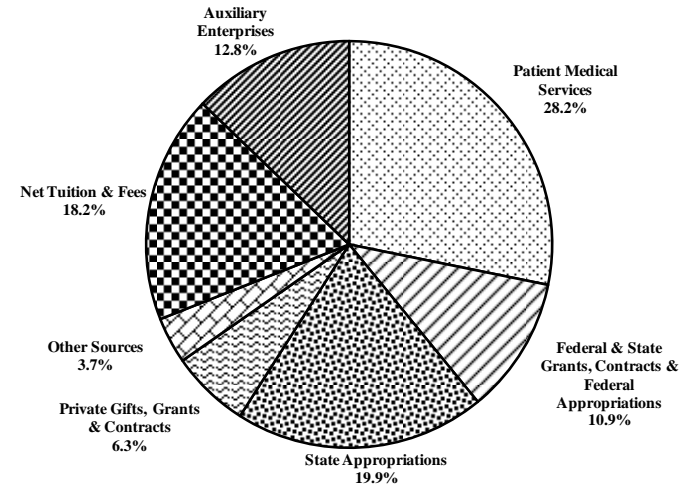
Federal:	\$204.3 million
Other:	\$124.1 million
<i>(includes state, industry, not-for-profit organizations and other)</i>	
Total grants and contracts:	\$328.4 million

Total gifts, FY09: \$86.7 million
(includes unrestricted private gifts, capital gifts and private gifts for endowment)

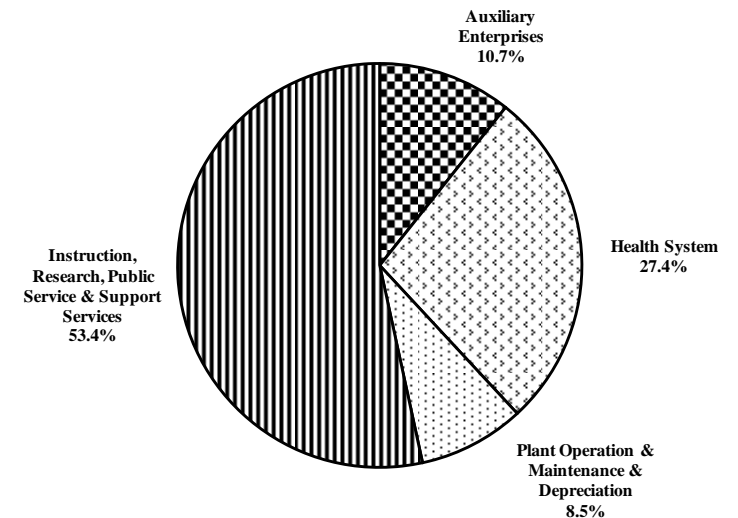
Endowment & similar funds

<i>(stated at market as of June 30, 2009)</i>	
Market value:	\$809,237,525
Endowment per student:	\$12,129

Total Revenues, FY2009
\$2.4 billion



Total Operating Expenses, FY2009
\$2.4 Billion

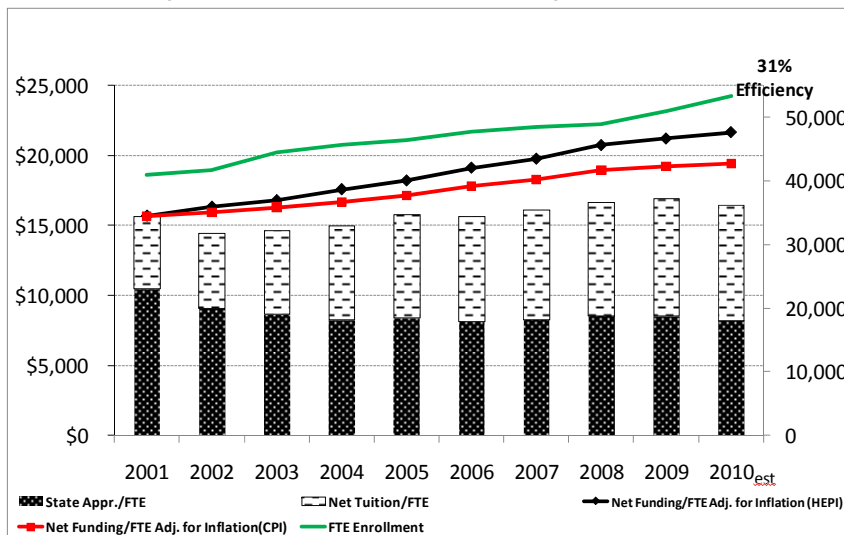


Economic Development: Investing in Missouri

- With \$2.32 billion in total revenues, UM would have been the 20th largest publicly-held Missouri-headquartered company in the state in 2009.
- With more than 25,000 employees in the state, UM was Missouri's 2nd largest employer in 2008.
- Externally sponsored research increased in FY09 to over \$308 million.
- The university earned \$10.4 million in licensing revenue in FY2009.

Funding Efficiency

The top line on the graph below shows that while enrollment has increased from 2001 to 2010 the funding from appropriations and fees for FTE students as shown by the bars has remained fairly level. However, the second and third lines show we have fallen behind when the dollars are adjusted for inflation (CPI) and for Higher Education inflation (HEPI), and shows that we have become 31 percent more efficient in our operations.



UM Statewide Impact

Students from Missouri, 2009: 55,915

Alumni in Missouri, 2009: 215,449

Selected school alumni:

Medicine:	3,528
Nursing:	6,986
Other Health Professions:	3,064
Veterinary Medicine:	1,441
Dentistry:	2,398
Pharmacy:	1,498
Engineering:	23,209
Optometry:	413
Agriculture:	11,428
Law:	7,853

Employees living in Missouri, 2009: 30,775

Tax revenue generated in Missouri by University employees: \$44.5 million

Construction projects & contracts awarded in Missouri in 2009: 217 projects for \$177 million

Extension impact, 2009: 1,069,706 contacts
MU Extension Centers operate in 111 of the state's 114 counties.

MU Health System impact, 2009: 519,597 clinic visits, 113,218 inpatient days of care, with \$36.9 million in uncompensated care.

MOREnet impact, 2009: 66 higher education institutions and 514 school districts served.

Executive Summary

The University of Missouri System's foremost priority in the FY12 request for operations is the funding of its FY11 core state appropriation of \$427.9 million, which is made up of \$372.3 million state general revenue, \$36.9 million lottery proceeds, and \$18.7 million one-time federal budget stabilization funds. It is critically important that this onetime funding be restored with permanent funding in FY12. In addition, the university's appropriations for operations requests restoration of core appropriations reduced in FY11. The request encompasses new investments, which when combined with the core state appropriation, will sustain the high level of quality and competitiveness that currently exists; and better position the university to contribute to the future economy of Missouri and the welfare of its citizens. These investments support the university's strategic goal of maintaining its position as one of the top public research universities in the country.

The university's requests reflect the need to address funding issues resulting from several years of increased enrollment and decreased or minimally increased state appropriations. We have fallen behind on competitive salaries for faculty. Our deferred maintenance and repair has grown, historic equity-funding issues need to be addressed, and there continues to be a shortage in pharmacists, particularly in rural Missouri.

The investments will be funded through a partnership with the state, the university, and its students. The request from the state for an additional \$124 million would be coupled with university resources, including internal efficiency reallocations and an inflationary increase in tuition and fees. These investments are:

Increase to the Core Budget for Annual Merit Compensation and Technology, Infrastructure, & Ongoing Costs: State Request \$42.5 million

The university is a people-driven institution. Three-fourths of the annual budget is devoted to compensation. Several years of minimal

salary increases coupled with the continued rise of higher education salaries nationally have caused UM's market position to erode. As the state's only land-grant, doctoral-granting research institution, the university is obligated to recruit and retain top-notch faculty and staff, as well as provide faculty and students with state-of-the-art technology and infrastructure. The state's share of this request is equal to a 4.2 percent increase in state appropriations, or \$19 million, plus restoration of the core cut in FY11 of \$23.5million for:

- a general salary increase of 4%, a 2% market adjustment, plus related benefits and benefit changes (\$31.7 million), and
- on-going costs of basic operations (\$10.8 million).

Cost to Continue: State Request \$25.1 million

The university is requesting an increase to fund a group of needs resulting from past reductions, the lack of inflationary increases in appropriations and growing enrollments.

- *Competitive Ranked Faculty Compensation: State Request \$10.8 million.* The state did not fund this initiative in the FY09, FY10, and FY11 appropriations request, but the university funded its share internally the first year. The university identified the need to address ranked faculty compensation totaling \$21.6 million over three years in addition to the annual merit pool. The state's share is half, or \$10.8 million. Rankings of faculty salaries at public Association of American Universities (AAU) support the need for this additional investment. For FY12, we ask the state provide its share of the initiative.
- *St. Louis Equity Adjustment: State Request \$1.9 million.* According to a 2002 Coordinating Board for Higher Education study that evaluated full-time equivalent (FTE) funding relative to the mean and median of the appropriate classification peer group, the University of Missouri-St. Louis was identified as having a significant funding gap of

\$10.8 million in state appropriations. In the last five years, all except \$2.21 million has been funded. The remaining \$1.86 million that we are requesting from the state, when added to the reallocation provided by the UM system, would reach the \$10.8 million target.

- *Support for FY01-FY10 Enrollment Growth: State Request \$10.4 million.* The university has identified the need for additional funding of \$20.9 million to support the extraordinary student enrollment growth on the university's four campuses since FY01. This request does not reflect funding needs for the large enrollment growth experienced in fall 2010. The request is calculated based on enrollment growth at the university between fall 2000 and fall 2009, a time when state appropriations declined. It is imperative to keep the advanced and more specialized classes small, especially in lab-intensive disciplines such as the life sciences, biology, and engineering. Enrollment increases require additional investment in enrichment programs, to ensure the success of our students. The increase in funding would support the hiring of regular full-time faculty to teach, resulting in smaller classes, increases in the number of students admitted to some high-demand programs that are currently capped, and enhanced student learning. The increased funding would also support the hiring of more academic advisors; who play a critical role in helping students maximize their university education and complete a baccalaureate degree in a timely manner. The request is spread over two years.
- *Joint UMKC/MSU Pharmacy Program: State Request \$2.0 million.* The University of Missouri-Kansas City and Missouri State University have signed a letter of intent to establish a doctor of pharmacy satellite program. Initial infrastructure for the program is being developed with one-time funds.

Recurring funds are needed to sustain the program. The University of Missouri System is requesting \$2.0 million to provide recurring support for this joint effort, which leverages state resources to provide pharmacy education to benefit the citizens of Missouri.

Protecting the University's Infrastructure: State Request \$29.4 million

The university is requesting state investment to protect the university's facilities and infrastructure through increased expenditures for maintenance and repair. The university has not received specific additional appropriation for this need since FY97. There is a growing backlog of documented asset reinvestment that totals \$839 million. This investment will match the university's current investment on a 2-to-1 basis.

Missouri Returning Heroes Act: State Request \$1.0 million

The University of Missouri is requesting additional appropriations equivalent to the tuition waived in FY09 and FY10 for the Missouri Returning Heroes Education Act. This act limits the amount of tuition charged to combat veterans who meet certain criteria, but provides that institutions may request the tuition waived in the following year's appropriations request.

Caring For Missourians: State Request \$24.3 million

The University of Missouri is responsible to the state for providing access to quality educational experiences for Missouri's future health care providers. In FY10 Caring for Missourians was funded at \$24.2 million on a one-time basis by the state. We have made progress in this effort. A request for appropriations is needed on a recurring basis to continue this effort.

Meeting Workforce Needs: State Request \$2.0 million

This request is an effort to raise Missouri's failing national grade in science, technology, engineering, and math education by supporting K-12 and college education in these areas.

FY2012 University of Missouri Appropriations Request for Operations, Increases to Core Budget

	FY2012 State Appropriation Request	Description and Outcome
<i>FY12 Appropriation Base (Core Total)</i>	\$427.9	
<i>Ensuring Quality and Competitiveness</i>		
Core Operating Support - \$42.5 million of \$77.8 million		The State investment will contribute to 4% annual merit increase in compensation, increases in benefit costs, plus increases in technology, infrastructure and other on-going costs. Supports 13,000 employees and an operating budget payroll of \$640 million. Will also provide quality infrastructure to support teaching, research, public service, & economic development.
- Restoration of the Base	\$23.5	
- 4.2% increase in Base	<u>19.0</u>	
	\$42.5	
Cost to Continue		This request is made up of the follow six components.
- Competitive Ranked Faculty Compensation	10.8	Total need is \$21.6 million over 3 years; requesting year 1 & 2 & 3. To recruit & retain top quality faculty who annually educate over 69,000 students and expend \$321 million in research funding, of which \$189 million is funded by external sources.
- St. Louis Equity Adjustment	1.9	Support the education of over 15,000 students and the campus' research and outreach programs.
- Support for FY2001-FY2010 Enrollment Growth	10.4	Supports the education of over 12,100 FTE more students annually, the increase in enrollment from FY2000-FY2010. Total need is \$20.9 M and will be requested over 2 years and be used to reduce class size and increased student support.
- Joint UMKC/MSU Pharmacy Program	2.0	To provide \$2 million in funding to sustain the joint UMKC/MSU Pharmacy program leveraging state resources.
Protecting the University's Infrastructure - on-going maintenance & repair	29.4	Request is to increase state support from \$12.1 million to \$41.5 million or two-thirds of total required \$62.2 million investment in M & R, which is 1.5% of replacement value. This additional investment will help to constrain and address the growth in facilities needs which totals over \$839 million.
Missouri Returning Heroes	1.0	Support for combat veterans in tuition waived.
Total Ensuring Quality and Competitiveness	\$98.0	
<i>Meeting Missouri's Needs</i>		
Caring for Missourians	\$24.2	Recurring funding to continue to expand programs to educate healthcare professionals
Meeting the State's Workforce Needs in Science, Technology, Engineering, and Mathematics	2.0	Matching funds for donor provided scholarships, loan forgiveness and other initiatives. Estimating \$15,000 state match needed for \$15,000 donation to provide 1 to 1 match for need-based scholarships in these disciplines.
Total Meeting Missouri's Needs	\$26.2	
Total All New Investments	\$124.2	
Total Recurring Request FY2012	\$552.10	

Dollars in Millions

University of Missouri Health System

University Hospitals and Clinics – Restoration of the Core & Increase for Sustaining Quality & Service: State Request \$5.0 million

University of Missouri Hospital and Clinics request its core appropriation be restored before funding cuts in FY10 and FY11 reduced it by \$4.7 million. In addition, we request an increase of 4.2 percent to offset the growing burden of uncompensated care and to ensure the resources are available to provide health care services to Missouri citizens. Our health care system touches the lives of patients from every county in the state. In FY09 we had 519,597 clinic visits, cared for 19,096 inpatients and delivered 1,793 babies. We provided \$36.9 million in unreimbursed and charity care in FY09. Requests for additional appropriations for inflationary or mandatory cost increases have not been funded since FY01.

Missouri Rehabilitation Center – Restoration of the Core & Increase for Sustaining Quality and Service: State Request \$1.7 million

The Missouri Rehabilitation Center (MRC) is a long-term acute care hospital that provides an array of experts and programs for patients recovering from serious illnesses and injuries. MRC began experiencing operating losses in 2006; and is projecting a loss in 2011. To sustain MRC at its current operational levels; and to continue to provide care to Missourians who are primarily Medicaid recipients or indigent, a restoration of core cut and an adjustment of 4.2 percent to MRC's base funding level is required.

Other Curator Programs

The Missouri Kidney Program, Missouri Telehealth Program, MOREnet, the State Historical Society of Missouri, Alzheimer's Research, Spinal Cord Injury, and Seminary Fund make up the Other Curator Programs. Our request for these programs is made up of three components: (1) funding the core appropriation (2) increases to the core budget and (3) requests in accordance with legislative requirements.

Restoration of the Core & Sustaining Quality and Service: State Request \$2.0 million

Requests for funds include a 4.2% increase, or \$0.2 million, to support an increase to the salary and wage pool and the associated benefits plus inflationary increases in other expenses incurred in providing services to the citizens of Missouri. The request for state funds to restore the base budget for core cuts in FY10 and FY11 totals approximately \$1.8 million. This includes restoration of \$1,136,475 for the Missouri Kidney Program, \$391,956 for the State Historical Society, and \$236,319 for the Missouri Telehealth Network. If these funds are not returned to the base, services to the citizens of Missouri will continue to decline, and in some cases be eliminated.

Requests in Accordance with Legislative Requirements: State Request \$5.3 million

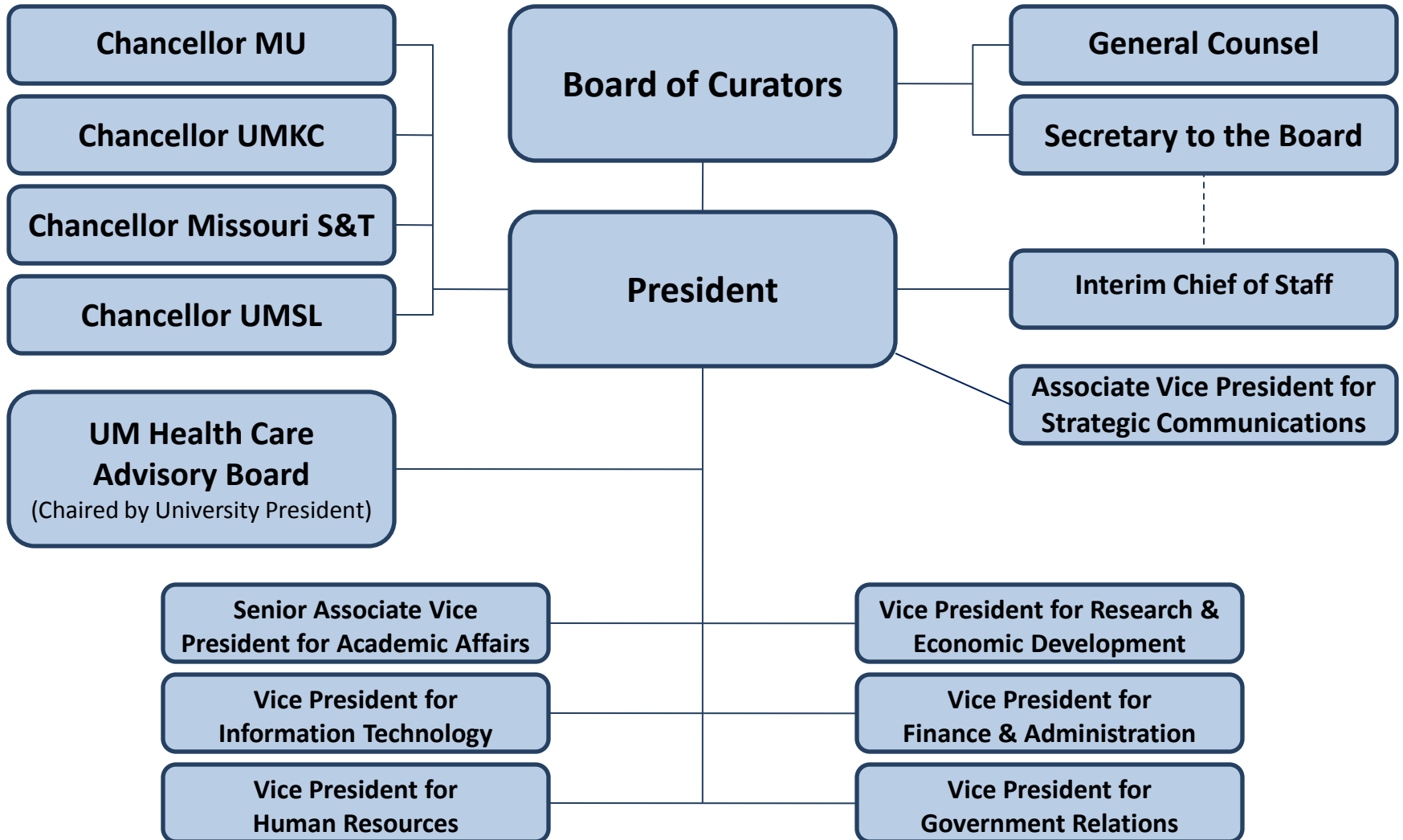
Requests are made for the Alzheimer's Research Fund, Spinal Cord Injury Research Fund, and Seminary Fund in accordance with legislative requirements.

FY2012 University of Missouri Appropriations Request for Other Programs, Increases to Core Budget

	FY2012 State Appropriation Request	
University of Missouri Health Care		
Increase to Core Budget	\$7.0	Investment will be used to offset increasing levels of uncompensated care and restore service levels. 4.2% increase plus restoration of core.
Other Curator Programs		
Increase to Core Budget		
Missouri Kidney Program	\$1.3	Investment will provide 4% annual merit increase, cover increases in benefit costs and be used to restore service levels. 4.2% increase plus restoration of core.
Telehealth	0.3	
State Historical Society of Missouri	0.5	
	\$2.0	
Total Other Curator Programs		
Total Recurring Requests	\$9.0	
One-time Requests in Accordance with Legislative Requirements		
Alzheimer's Research	\$0.4	For research awards
Spiral Cord Injury Research	0.6	For research awards
Seminary Fund	4.3	For interest earned and reinvestment of principal
	\$5.3	
Subtotal Requests in Accordance with Legislative Requirements		
Total One-time Requests	\$5.3	

Dollars in Millions

UM Organizational Chart



**UNIVERSITY OF MISSOURI SYSTEM
SUMMARY OF FY2012 APPROPRIATIONS REQUEST FOR OPERATIONS**

	<u>DECISION ITEM NUMBER</u>	<u>STATE APPROPRIATIONS</u>
FY2012 APPROPRIATION BASE (Core) Total		\$427,957,662
RECURRING INCREASE REQUESTED:		
Increase to the Core	1	
Annual Merit Increase in Compensation & Benefit Changes		31,700,000
Technology, Infrastructure and On-Going Costs		10,800,000
Required Investment for Decision Item 1		\$42,500,000
Cost to Continue	2	
Competitive Ranked Faculty Compensation including Benefits		10,800,000
St. Louis Equity Adjustment		1,863,729
Support for FY2001-FY2010 Enrollment Growth		10,400,000
Joint UMKC/MSU Pharmacy Program		2,000,000
Required Investment for Decision Item 2		\$25,063,729
Increase to the Core Budget for Other Initiatives		
Protecting the University Infrastructure Through Increased M&R Investment	3	29,400,000
Missouri Returning Heroes Education Act	4	956,838
Caring for Missourians	5	24,300,000
Meeting Workforce Needs	6	2,000,000
Required Investment for Other Initiatives		\$56,656,838
Total Recurring Increase Requested		\$552,178,229
TOTAL RECURRING REQUEST FY2012		\$552,178,229

**UNIVERSITY OF MISSOURI SYSTEM
EDUCATIONAL AND GENERAL CURRENT FUNDS
FORM 1: EXPENDITURES**

EDUCATION AND GENERAL EXPENDITURES (EXCLUDE EXPENDITURES ON AUXILIARIES)	Actual Unrestricted Expenditures FY 2009	Actual Restricted Expenditures FY 2009	FY 2010 Estimated Unrestricted Education and General Operating Funds		Estimated Unrestricted Expenditures FY 2010	Estimated Restricted Expenditures FY 2010	FY 2011 Projected Unrestricted Education and General Operating Funds		Projected Unrestricted Expenditures FY 2011	Projected Restricted Expenditures FY 2011
			Personal Service	Expense & Equip.			Personal Service	Expense & Equip.		
1 GENERAL INSTRUCTION										
1.1 On-campus Instruction for Credit			\$449,040,443	\$33,688,154	\$482,728,597		\$457,082,056	(1) \$54,551,762	\$511,633,818	
1.3 Community Education			8,507,073	5,669,966	14,177,039		8,112,868	7,168,994	15,281,862	
1.4 Off-campus Instruction for Credit			9,605,224	5,330,767	14,935,991		11,026,408	6,010,889	17,037,297	
TOTAL INSTRUCTION	\$504,427,331	\$41,460,076	\$467,152,740	\$44,688,887	\$511,841,627	\$39,348,215	\$476,221,332	\$67,731,645	\$543,952,977	\$44,869,727
2 RESEARCH										
2.1 Institutes and Research Centers			\$30,761,570	\$7,481,596	\$38,243,166		\$30,145,552	\$8,179,817	\$38,325,369	
2.2 Individual or Project Research			15,140,524	6,676,234	21,816,758		8,730,501	9,246,173	17,976,674	
TOTAL RESEARCH	\$60,339,001	\$153,155,184	45,902,094	14,157,830	60,059,924	\$158,338,674	38,876,053	17,425,990	56,302,043	\$159,974,449
3 PUBLIC SERVICE										
3.2 Community Services			\$13,527,500	\$7,565,725	\$21,093,225		\$10,073,858	\$7,235,139	\$17,308,997	
3.3 Cooperative Extension Services			33,678,150	4,273,671	37,951,821		34,909,462	5,489,757	40,399,219	
3.4 Public Broadcasting Services			978,795	285,669	1,264,464		966,993	197,218	1,164,211	
TOTAL PUBLIC SERVICE	\$79,514,924	\$93,602,111	\$48,184,445	\$12,125,065	\$60,309,510	\$88,903,370	\$45,950,313	\$12,922,114	\$58,872,427	\$89,171,114
4 ACADEMIC SUPPORT										
4.1 Libraries			\$18,867,208	\$19,564,075	\$38,431,283		\$20,099,091	\$20,313,254	\$40,412,345	
4.2 Museums and Galleries			1,155,197	84,884	1,240,081		1,024,903	107,950	1,132,853	
4.3 Educational Media Services			5,186,995	(73,920)	5,113,075		5,628,514	398,095	6,026,609	
4.5 Ancillary Support			20,767,552	(2,370,936)	18,396,616		22,274,850	(2) 5,341,866	27,616,716	
4.6 Academic Admin. & Personnel Development			49,827,838	8,014,007	57,841,845		46,652,287	11,028,343	57,680,630	
TOTAL ACADEMIC SUPPORT	102,995,069	5,958,849	\$95,804,790	\$25,218,110	\$121,022,900	\$5,719,962	\$95,679,645	\$37,189,508	\$132,869,153	\$5,365,752
5 STUDENT SERVICE										
5.1 Student Service Administration			\$13,141,603	\$3,617,965	\$16,759,568		\$10,809,311	\$3,548,406	\$14,357,717	
5.2 Social and Cultural Development			6,954,443	6,435,307	13,389,750		7,366,958	6,524,909	13,891,867	
5.3 Counseling and Career Guidance			6,608,165	779,260	7,387,425		6,450,346	747,565	7,197,911	
5.4 Financial Aid Administration			3,926,305	413,716	4,340,021		4,321,749	345,126	4,666,875	
5.5 Student Health Services			898,584	1,434,927	2,333,511		920,737	166,534	1,087,271	
5.6 Intercollegiate Athletics			0	0	0		0	0	0	
5.7 Student Admissions and Records			12,458,142	3,922,336	16,380,478		13,001,022	3,808,184	16,809,206	
TOTAL STUDENT SERVICE	59,023,686	9,478,713	\$43,987,242	\$16,603,511	\$60,590,753	\$10,483,580	\$42,870,123	\$15,140,724	\$58,010,847	\$4,614,918
6 INSTITUTIONAL SUPPORT										
6.1 Executive Management			\$17,860,839	\$395,362	\$18,256,201		\$18,235,081	\$129,058	\$18,364,139	
6.2 Fiscal Operations			15,481,578	4,994,272	20,475,850		16,541,506	4,458,339	20,999,845	
6.3 General Admin. & Logistical Services			62,135,207	(28,554,838)	33,580,369		64,632,134	(33,327,874)	31,304,260	
6.5 Public Relations and Development			24,355,489	6,601,946	30,957,435		25,698,489	1,010,156	26,708,645	
TOTAL INSTITUTIONAL SUPPORT	101,177,201	3,539,017	\$119,833,113	(\$16,563,258)	\$103,269,855	\$2,191,650	\$125,107,210	(\$27,730,321)	\$97,376,889	\$2,167,952
7 OPERATION AND MAINTENANCE OF PLANT										
7.1 General Physical Plant			\$30,177,550	\$28,130,846	\$58,308,396		\$29,709,395	\$33,903,563	\$63,612,958	
7.2 Fuel and Utilities			12,869,323	10,041,155	22,910,478		13,307,628	16,936,574	30,244,202	
7.3 Maintenance and Repair			2,800,997	5,702,096	8,503,093		3,269,517	6,246,201	9,515,718	
TOTAL OPERATION AND MAINTENANCE OF PLANT	93,032,070	495,612	\$45,847,870	\$43,874,097	\$89,721,967	\$548,428	\$46,286,540	\$57,086,338	\$103,372,878	\$909,719
8 SCHOLARSHIPS AND FELLOWSHIPS										
8.1 Scholarships			\$0	\$91,933,594	\$91,933,594		\$0	\$95,569,932	\$95,569,932	
8.2 Fellowships			0	39,848,890	39,848,890		0	40,676,654	40,676,654	
TOTAL SCHOLARSHIPS/FELLOWSHIPS	128,776,970	68,240,118	\$0	\$131,782,484	\$131,782,484	\$87,889,749	\$0	\$136,246,586	\$136,246,586	\$79,256,407
9 TRANSFERS										
Internal Transfers			\$0	\$30,472,729	\$30,472,729		\$0	\$6,803,656	\$6,803,656	
9.1 Mandatory Transfers (decrease)/increase			0	12,211,507	12,211,507		0	14,662,748	14,662,748	
9.2 Nonmandatory Transfers (decrease)/increase			0	44,867,930	44,867,930		0	38,412,409	38,412,409	
TOTAL TRANSFERS	62,026,917	3,911,854	\$0	\$87,552,166	\$87,552,166	\$2,357,916	\$0	\$59,878,813	\$59,878,813	(\$2,843,383)
TOTAL E&G EXPENDITURES AND TRANSFERS	1,191,313,169	379,841,533	\$866,712,294	\$359,438,892	\$1,226,151,186	\$395,781,545	\$870,991,216	\$375,891,397	\$1,246,882,613	\$383,486,655

(1) Includes \$12.8 million in 3% Governor's Reserve (anticipated state withholding)

(2) FY2011 includes computing expenses budgeted centrally but the actual expenditures will be spread to the units who use the services

**UNIVERSITY OF MISSOURI SYSTEM
EDUCATIONAL AND GENERAL UNRESTRICTED CURRENT FUNDS
FORM 1-A: EXPENDITURES FOR ON-CAMPUS INSTRUCTION (PCS 1.1) BY COST CENTER**

No.	INSTRUCTIONAL COST CENTER (EXCLUDE EXPEND. ON AUXILIARIES)	Actual Unrestricted Expenditures FY 2009	Estimated Unrestricted Expenditures FY 2010	Projected Unrestricted Expenditures FY 2011
1	Agriculture, Food & Nat Resources	\$14,556,430	\$14,252,050	\$12,573,366
2	Arts & Sciences	144,796,679	141,718,459	145,158,970
3	Biological Sciences	6,938,484	6,577,707	7,381,882
4	Business/Public Affairs	33,633,392	31,916,645	34,522,098
5	Computing & Engineering/ Mgmt. & Info Systems	8,068,386	8,247,184	8,316,984
6	Conservatory of Music	5,360,483	6,314,305	5,728,149
7	Dentistry	17,189,875	15,792,947	17,494,562
8	Education	26,595,241	25,322,385	28,709,138
9	Engineering	44,870,901	46,838,667	40,812,284
10	Extension	1,409,816	1,437,485	1,828,826
11	Fine Arts & Communications	10,090,821	9,418,590	9,493,238
12	Graduate School	4,275,099	4,495,658	4,558,893
13	Health Professions	5,339,172	6,465,290	6,992,693
14	Human Environmental Sciences	7,587,114	7,995,938	8,365,264
15	Journalism	8,103,462	8,320,300	8,276,237
16	Law	11,988,861	12,003,338	12,332,688
17	Medicine	59,922,545	60,852,704	70,311,710
18	Nursing	12,579,844	12,875,847	14,584,027
19	Optometry	4,195,562	4,527,440	4,968,140
20	Pharmacy	6,573,211	7,477,719	9,380,852
21	Veterinary Medicine	15,650,988	16,017,794	15,951,688
22	Instructional Information Access and Technology (1)	7,925,908	11,639,217	10,872,436
23	Honors College	2,089,808	1,914,962	1,897,260
24	Miscellaneous Instruction (2)	17,219,427	20,305,966	18,283,703
25	3% Governor's Reserve (Withholding)			12,838,730
	TOTAL	\$476,961,509	\$482,728,597	\$511,633,818

(1) Includes a change in accounting for instructional computing costs at UMSL which are no longer spread to the instructional department level, only to Instruction 1.1.

(2) Includes instructional portion of unfunded OPEB liability (other post employment benefit) costs booked centrally of \$11.1 million in FY2009 and \$15.7 million in FY2010. FY2011 includes \$11 million in academic funding allocated as costs are incurred.

**UNIVERSITY OF MISSOURI SYSTEM
EDUCATIONAL AND GENERAL CURRENT FUNDS
FORM 2: REVENUES**

EDUCATION AND GENERAL RESTRICTED AND UNRESTRICTED REVENUES (EXCLUDE EXPENDITURES ON AUXILIARIES)	Actual Unrestricted Revenue FY 2009	Actual Restricted Revenue FY 2009	Estimated Unrestricted Revenue FY 2010	Estimated Restricted Revenue FY 2010	Projected Unrestricted Revenue FY 2011	Projected Restricted Revenue FY 2011
Tuition and Fees (Excluding Off-Campus Credit)	\$573,795,949	\$312,150	\$600,821,033	\$273,772	\$616,703,214	
Tuition and Fees (Off-Campus Credit)	27,633,552		29,402,910		27,150,000	
SUBTOTAL OF TUITION AND FEES	\$601,429,501	\$312,150	\$630,223,943	\$273,772	\$643,853,214	\$0
Federal Appropriations	\$14,858,357		\$16,435,767		\$16,951,955	
Federal Grants and Contracts		\$204,298,985		\$232,005,920		\$221,850,000
Federal Vocational Reimbursement						
SUBTOTAL OF FEDERAL SOURCES	\$14,858,357	\$204,298,985	\$16,435,767	\$232,005,920	\$16,951,955	\$221,850,000
State Grants and Contracts	\$10,000	\$51,527,588		\$54,738,423		\$52,500,000
State Vocational Reimbursement						
SUBTOTAL OF STATE GRANTS/REIMBURSEMENT	\$10,000	\$51,527,588	\$0	\$54,738,423	\$0	\$52,500,000
Local Tax Revenue						
Local Grants and Contracts		\$72,538,953		\$79,499,468		\$72,250,000
Recovery of Indirect Costs	\$50,015,935	(49,891,624)	\$52,042,046	(51,925,052)	\$51,000,000	(51,000,000)
Private Gifts, Grants and Contracts	1,654,128	42,983,588	1,496,966	37,710,762	867,811	31,277,981
Investment Income	(21,463,748)	2,815,893	55,720,483	2,261,941	18,568,221	3,299,100
Endowment Income	6,364,490	35,435,386	5,547,468	35,595,525	3,981,850	34,411,423
Sales & Services of Educational Activities	43,539,964	122,089	35,051,453	139,651	43,323,026	153,322
Intercollegiate Athletic Income						
Other Sources	60,465,605	6,811,645	45,417,901	(1,159,580)	40,378,873	7,046,493
SUBTOTAL OF TOTAL LOCAL REVENUES/OTHER TRANSFERS FROM OTHER FUNDS	\$140,576,374	\$110,815,930	\$195,276,317	\$102,122,715	\$158,119,781	\$97,438,319
State Appropriations for RTEC Distributions						
State Appropriations (Education & General Operating)	\$437,931,880	\$18,659,433	\$461,481,733	\$11,022,983	\$427,957,663	\$11,698,337
SUBTOTAL STATE APPROPRIATIONS	\$437,931,880	\$18,659,433	\$461,481,733	\$11,022,983	\$427,957,663	\$11,698,337
TOTAL EDUCATION & GENERAL REVENUE	\$1,194,806,112	\$385,614,086	\$1,303,417,760	\$400,163,813	\$1,246,882,613	\$383,486,656

(1) FY2009 and FY2010 includes realized and unrealized gains(losses) in market value of investments. FY2011 budget does not include a budgeted market value adjustment.

**UNIVERSITY OF MISSOURI SYSTEM
UNRESTRICTED EDUCATIONAL AND GENERAL CURRENT FUNDS
FORM 3: PERSONAL SERVICE - DETAIL**

PERSONAL SERVICE CATEGORIES (EXCLUDE EXPEND. ON AUXILIARIES)	Actual Unrestricted Expenditures FY 2009	FTE	Estimated Unrestricted Expenditures FY 2010	FTE	Projected Unrestricted Expenditures FY 2011	FTE
Professors	\$105,784,165	882.4	\$107,323,786	875.4	\$110,000,000	880.0
Associate Professors	79,206,843	941.3	79,255,951	938.0	81,400,000	940.0
Assistant Professors	70,906,227	1,013.8	67,559,072	943.4	71,900,000	983.0
Instructors	9,547,060	254.2	9,582,924	230.3	9,700,000	230.0
Lecturers						
Other Faculty	84,772,638	2,772.8	82,555,310	2,628.4	84,500,000	2,660.0
Executive/Administrative/Managerial	93,333,460	1,014.0	94,303,835	1,014.9	95,300,000	1,015.0
Other Professional	87,665,385	1,720.4	84,034,299	1,648.4	86,000,000	1,670.0
Technical and Paraprofessionals	30,420,857	897.2	29,957,927	868.3	30,700,000	880.0
Clerical and Secretarial	64,574,852	2,066.8	62,515,428	1,959.1	63,800,000	1,980.0
Skilled Crafts	20,338,729	453.8	20,041,644	438.8	20,400,000	442.0
Service/Maintenance	21,910,524	832.0	21,820,754	805.9	22,150,000	810.0
Students	8,203,177	1,178.9	9,091,579	1,284.8	9,107,500	1,285.0
Summer Session						
Staff Benefits (1)	171,946,621		198,669,785		186,033,716	
TOTAL PERSONAL SERVICES	\$848,610,538	14,027.6	\$866,712,294	13,635.7	\$870,991,216	13,775.0

(1) FY2009 and FY2010 includes expenses for unfunded OPEB (other post employment benefits) liability in the amount of \$23.8 million and \$28.8 million respectively. FY2011 budget does not include an amount for unfunded OPEB liability as the amount will be calculated in July 2011.

Core Programs

UNRESTRICTED EDUCATIONAL AND GENERAL

CORE BUDGET REQUEST ANALYSIS FORM 4

Department: Higher Education – Unrestricted
Level 2: University of Missouri System

MISSION STATEMENT

University of Missouri

The mission of the four-campus University of Missouri System-- a land-grant university and Missouri's only public research and doctoral-level institution-- is to discover, disseminate, preserve and apply knowledge. The university facilitates lifelong-learning by its students and Missouri's citizens; fosters innovation to support economic development; and advances the health, cultural and social interests of the people of Missouri, the nation and the world.

University of Missouri-Columbia (MU)

Our distinct mission, as Missouri's only state-supported member of the Association of American Universities, is to provide all Missourians the benefits of a world-class research university. We are stewards and builders of a priceless state resource, a unique physical infrastructure and scholarly environment in which our tightly interlocked missions of teaching, research and service work together on behalf of all citizens. Students work side by side with some of the world's best faculty to advance the arts and humanities, the sciences, and the professions. Scholarship and teaching are daily driven by a sense of public service – the obligation to produce and disseminate knowledge that will improve the quality of life in the state, the nation, and the world.

University of Missouri-Kansas City (UMKC)

The University of Missouri-Kansas City's mission is to lead in life and health sciences; to deepen and expand strength in the visual and performing arts; to develop a professional workforce and collaborate in urban issues and education; and to create a vibrant learning and campus life experience.

Missouri University of Science and Technology (MO S&T)

Missouri University of Science and Technology integrates education and research to create and convey knowledge to solve problems for our state and the technological world.

University of Missouri-St. Louis (UMSL)

The University of Missouri-St. Louis provides excellent learning experiences and leadership opportunities for a diverse student body. Outstanding faculty and staff, innovative research, and creative partnerships foster synergies that advance the welfare of our stakeholders and benefit the global society.

II. DESCRIPTION

The University of Missouri was founded in 1839 as the first state university west of the Mississippi River. With passage of the Morrill Act by Congress in 1862, the university became a land-grant institution. The university includes four campuses, University of Missouri Health Care, and a university-wide administrative unit. All instructional and research programs are conducted on the campuses, while system administration provides support and administrative services. University of Missouri Extension disseminates information regarding the outcomes of instruction and research to the general public. The campuses are headed by Chancellors, who report to the President. The President is responsible to the Board of Curators, which is the University's governing body appointed by the Governor and confirmed by the Senate.

Today, the University of Missouri is one of the nation's largest higher education institutions, almost 70,000 students on four campuses and an extension program with activities in every county of the state. The university continues to have record enrollments. In fall 2009, the total enrollment was 69,384 with 18,032 of this number enrolled in graduate and professional programs. At that time, the full-time teaching and research staff numbered 5,160. In 2009-10, the campuses granted 15,175 degrees.

The Columbia campus offers academic programs through 15 schools and colleges. In fall 2009, the total enrollment was 31,237 with 7,438 of this number enrolled in graduate and professional programs. At that time, the full-time teaching and research staff numbered 3,011. In 2009-10, the campus granted 7,305 degrees. The Kansas City campus offers academic programs through 12 schools and colleges. Its fall 2009 total enrollment was 14,799, which included 5,418 graduate and professional students. The campus employed 1,237 full-time teaching and research staff. In 2009-10, the campus awarded 3,133 degrees. The Missouri S&T campus offers academic programs through 20 departments. In fall 2009, its total enrollment was 6,814 students, which included 1,608 enrolled in graduate programs. Full-time teaching and research staff numbered 373. In 2009-10, the campus awarded 1,738 degrees. The St. Louis campus offers academic programs through eight schools and colleges, and had a fall 2009 total enrollment of 16,534, which included 3,568 graduate and professional students. The campus employed 539 full-time teaching and research staff and awarded 2,999 degrees in 2009-10.

The university's primary responsibility is to serve students and citizens of Missouri, although the university enrolls students from other states and countries to contribute to greater world understanding and to provide a richer learning environment for Missouri residents. The university is also the only public institution in the state which emphasizes basic and applied research and doctoral education as major academic missions. This emphasis on advanced education and research attracts faculty at the forefront of knowledge in their disciplines. As part of an international research community, the university engages in research and creative programs to improve the quality of life and to contribute to a higher standard of living throughout the world.

The university has the unique responsibility to the state of providing access to quality educational experiences for Missouri's future health care providers. In addition, as part of a land-grant university, University of Missouri Health Care's core mission is to enhance the health of all people, especially Missourians. Through exceptional clinical service, University of Missouri Health Care supports the education and research missions of the

University of Missouri. Their vision: Through discovery and innovation, University of Missouri Health Care will be the health system people choose for exceptional service and exemplary health care.

The university's four campuses are quite diverse in their missions, clientele served, and areas of programmatic strength. This diversity enhances the university's ability to respond to the educational needs of Missourians and provides opportunities for cooperative programs. In serving the needs of its clientele, the university emphasizes its unique capabilities as Missouri's largest and most comprehensive public institution of higher education.

In 2003, the Board of Curators officially added economic development to teaching, research, and service as primary missions of the university. Given the important role of higher education in the 21st century, the University of Missouri also recognizes the growing obligation to convert its research into results for the public good. The university now feeds a pipeline of scientific and technological innovation for our knowledge-based economy, and our role is critical to the economic future of the institution, state, and nation.

The university has the responsibility to bring its unique educational programs and problem-solving capabilities to Missouri citizens throughout the state. University of Missouri Extension programs originating from each campus and through extension centers in each county are directed to deal with locally identified issues where higher education resources can assist.

The university recognizes that no single institution in the state can address all of the higher education needs of Missouri. Thus, the university, through its planning and budgeting processes, is identifying those programs and services of highest priority to the state and is allocating resources to enhance and strengthen these programs.

III. Performance & Activity Measures

Total Off-campus FTE Enrollment (Fall Semester)	FY 2009 Actual	FY 2010	FY 2011 PROJ.	FY 2012 PROJ.
Numerical Enrollment at Off-campus Sites	2,761	3,033	3,087	3,463

Total On-campus FTE Enrollment (Fall semester)	FY 2009 Actual	FY 2010	FY 2011 PROJ.	FY 2012 PROJ.
Undergraduates	38,547	40,138	41,213	41,727
Graduates	6,876	7,204	7,349	7,628
First Professional	2,841	2,917	2,975	3,125
TOTAL FTE Enrollment	48,264	50,259	51,536	52,479

Number of Degrees/Certificates	FY 2009 Actual	FY 2010 est.	FY 2011 PROJ.	FY 2012 PROJ.
Bachelor	9,291	9,605	9,862	9,985
Masters and Graduate Certificates	4,206	4,251	4,336	4,501
Doctoral	487	519	529	549
First Professional Degrees	763	800	816	857
TOTAL	14,747	15,175	15,543	15,892

Total Credit Hour Activity for Academic Programs (12-month instructional activity)	FY 2009 Actual	FY 2010 est.	FY 2011 PROJ.	FY 2012 PROJ.
Undergraduate programs	1,204,408	1,282,551	1,316,895	1,333,313
Graduate programs	212,768	233,131	237,807	246,860
First Professional	112,730	118,852	121,215	127,308
TOTAL Credit Hours	1,529,906	1,634,534	1,675,917	1,707,481

Institutional Scholarships/Fellowships/Grants:	FY 2009 Actual	FY 2010 est.	FY 2011 PROJ.	FY 2012 PROJ.
Undergraduate				
a. Number of Need-based Scholarships awarded	5,537	5,766	5,920	5,994
Dollar amount awarded	\$13,284,290	\$13,832,590	\$14,202,993	\$14,380,062
b. Number of Merit-based Scholarships awarded	15,094	15,717	16,138	16,339
Dollar amount awarded	\$55,345,880	\$57,630,242	\$59,173,442	\$59,911,158
c. Number of Athletic Scholarships awarded	1,147	1,194	1,226	1,242
Dollar amount awarded	\$12,775,714	\$13,303,023	\$13,659,246	\$13,829,536
d. Number of Tuition and Fee Remissions or Waivers	2,851	2,969	3,048	3,086
Dollar amount awarded	\$9,537,267	\$9,930,911	\$10,196,837	\$10,323,961
e. Number of Other Scholarships awarded	1,821	1,896	1,947	1,971
Dollar amount awarded	\$3,815,729	\$3,973,220	\$4,079,614	\$4,130,474

III. Performance & Activity Measures (con't.)

Graduate				
a. Number of Need-based Scholarships awarded	383	401	409	425
Dollar amount awarded	\$ 719,183	\$ 753,490	\$ 768,603	\$ 797,863
b. Number of Merit-based Scholarships awarded	3,611	3,783	3,859	4,006
Dollar amount awarded	\$ 16,756,094	\$ 17,555,396	\$ 17,907,527	\$ 18,589,249
c. Number of Athletic Scholarships awarded	33	35	35	37
Dollar amount awarded	\$ 307,849	\$ 322,534	\$ 329,004	\$ 341,528
d. Number of Tuition and Fee Remissions or Waivers	5,773	6,048	6,170	6,405
Dollar amount awarded	\$ 53,118,053	\$ 55,651,898	\$ 56,768,181	\$ 58,929,289
e. Number of Other Scholarships awarded	1,693	1,774	1,809	1,878
Dollar amount awarded	\$ 3,733,834	\$ 3,911,946	\$ 3,990,413	\$ 4,142,324
Total Number of Scholarships Awarded (Undergraduate and Graduate)	37,943	39,583	40,562	41,382
Total Dollar Amount of Scholarships Awarded (Undergraduate and Graduate)	\$ 169,393,893	\$ 176,865,249	\$ 181,075,860	\$ 185,375,444

IV. GROSS SQUARE FOOTAGE (Physical Plant)

Indicate the total nonauxiliary gross square footage to be maintained by your institution during FY 2011.

Square feet

14,400,000*

* this is an estimated number

List all new construction or razing of buildings that is to be completed in FY 2011 that will change the gross square footage data provided above. Indicate whether the change is an increase or decrease in square footage, the type of space modifications, the resulting change in nonauxiliary gross square feet, and the number of months the square footage will be in effect during FY 2011. If no changes occur, indicate "No change."

Type of Project or Space Modification	Gross Sq ft Increase or Decrease	Number of Months in Effect in FY 2011	Annualized Gross sq. ft. Increase or Decrease
1 Orthopaedic Center - UMC	18,268	10	15,223
2 MU Student Center (Brady E&G)	35,065	12	35,065
4 Miller Nichols Library Phase I - UMKC	15,393	12	15,393
3 Student Design Center - MO S&T	21,420	6	10,710
TOTAL	90,146		76,391

V. SALARY COMPARISONS

List the approximate percentage salary increases provided or anticipated for staff as indicated below.

Occupational Category	FY 2010 over FY 2009 (%) ⁽¹⁾	FY 2011 over FY 2010 (%)
Ranked Faculty	0.58%	0.00%
All Faculty	0.52%	0.00%
Executive/Administrative/Managerial	0.52%	0.00%
Other Professional	0.34%	0.00%
Technical and paraprofessionals	0.30%	0.00%
Clerical and secretarial	0.15%	0.00%
Skilled Crafts	0.60%	0.00%
Service/Maintenance	1.49%	0.00%

(1) There were no across the board or merit increases in FY2010. The increases above relate to promotions and other required increases.

List the salaries of full-time instructional staff on 9/10-month contracts/teaching periods by gender and academic rank for FY 2010.

Gender and Academic Rank	Number	Salary Outlays	Average Salary
Men			
Professors	455	\$49,935,743	\$109,749
Associate Professors	424	32,749,056	77,238
Assistant Professors	303	18,986,888	62,663
Instructors	22	1,090,601	49,573
Lecturers	37	1,589,940	42,971
No Academic Rank	8	402,679	50,335
Total Men	1,249	\$104,754,907	\$83,871
Women			
Professors	141	\$13,694,482	\$97,124
Associate Professors	244	16,676,259	68,345
Assistant Professors	299	17,808,757	59,561
Instructors	29	1,325,371	45,702
Lecturers	40	1,521,854	38,046
No Academic Rank	5	194,528	38,906
Total Women	758	\$51,221,251	\$67,574
Total (Men & Women)	2,007	\$155,976,158	\$77,716
Total from prior year	2,036	\$158,141,170	\$77,672

V. SALARY COMPARISONS (con't.)

List the salaries of full-time instructional staff on 11/12-month contracts/teaching periods by gender and academic rank for FY 2010.

Gender and Academic Rank	Number	Salary Outlays	Average Salary
Men			
Professors	128	\$17,462,268	\$136,424
Associate Professors	111	10,368,260	93,408
Assistant Professors	86	6,938,395	80,679
Instructors	18	944,638	52,480
Lecturers	53	2,563,423	48,366
No Academic Rank	37	1,559,388	42,146
Total Men	433	\$39,836,372	\$92,001
Women			
Professors	36	\$4,411,035	\$122,529
Associate Professors	81	7,002,305	86,448
Assistant Professors	108	8,012,576	74,191
Instructors	74	3,375,516	45,615
Lecturers	62	2,585,068	41,695
No Academic Rank	26	1,027,881	39,534
Total Women	387	\$26,414,381	\$68,254
Total (Men & Women)	820	\$66,250,753	\$80,794
Total from prior year	812	\$66,039,320	\$81,329

Core Decision Items

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Increase to Core: State Request \$42,500,000
Decision Item Rank: 1 of 6

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University of Missouri System's foremost priority in the FY2012 request for operations is the funding of its FY2011 core state appropriation of \$427.9 million, which is made up of \$372.3 million state general revenue, \$36.9 million lottery proceeds, and \$18.7 million onetime federal budget stabilization funds. It is critically important that this onetime funding be restored with permanent funding in FY2012. In addition, the university's appropriations request encompasses new investments.

The University of Missouri has a direct impact on the economy of Missouri through its ability to significantly leverage the state investment in university operations. For example, for FY2006 (the last date for which data is available), the University was able to generate \$572 million from sources external to the state including out-of-state student tuition and living expenses, federal and privately funded research, and visitor spending. This new money circulates through the Missouri economy, ultimately creating \$1 billion in economic activity and accounting for more than 13,000 jobs and \$609 million in value-added, almost 0.5% of the Gross State Product.

The new investment requests when combined with the core, will ensure the high level of quality and competitiveness that currently exists, as well as better position the University to contribute to the future economy of Missouri and the welfare of its citizens. These investments support the University's strategic goal of maintain its position as one of the top public research universities in the country. To ensure quality and competitiveness and fulfill its missions of teaching, research, public service, and economic development, the university is requesting an increase in these areas:

- Annual Merit Increase in Compensation and Benefit changes
- Technology, Infrastructure and On-Going Costs

As the state's only land-grant, doctoral-granting research institution, the university is obligated to recruit and retain top-notch faculty and staff, as well as provide faculty and students state-of-the art technology and infrastructure. These investments will be funded through a partnership among the state, the university, and the students. The request from the state for an additional \$42.5 million would be coupled with \$35.3 million from university resources and student fees.

In the face of increases in mandatory costs like utilities, benefits, insurance, and technology, the University of Missouri has worked to control expenditures through administrative efficiencies and to increase revenues from other sources in order to balance the budget and continue operations. For example, in FY2008 the Board of Curators requested a review of academic programs and processes which resulted in \$7 million in strategic reallocations and \$21.6 million in onetime cost management initiatives. In FY2009, the university implemented a number cost containment strategies to address growing financial concerns due to the economy. These initiatives focused on cost management and cost avoidance including hiring and spending freezes, business process improvement, academic program consolidation and energy conservation, which resulted in \$64 million in onetime and recurring expenditure reductions and cost savings. In addition, the university reallocated resources totaling \$7 million to various strategic priorities, including academic programs and compensation support. These efforts have continued in FY2010 with further cuts, reallocations, and cost deferrals. These significant cost control measures cannot continue long-term without negatively impacting service levels.

II. DESCRIPTION

The vision for the University of Missouri is to enhance its position as one of the premiere world-class public research universities in the country. Our strategic plan goals include increasing access to quality learning and teaching, achieving a nationally competitive position in research, scholarship, and academic programs, and setting new standards of quality for community-university engagement that will constitute a national model of service and outreach to the state, the nation, and the world. An investment in the University of Missouri will reap returns to the entire State of Missouri.

Annual Merit Increase in Compensation & Benefit Changes: Total Need: \$57.7 million; State Request: \$31.7 million

University employees are among the largest and highest value workforces in the state. With nearly 26,000 in-state employees, 13,000 of whom are paid through the operating budget, the in-state payroll alone provides a direct return of \$158 million in taxes. The university is a people-driven institution. Three-fourths of the annual operating budget is devoted to compensation. Recently, small UM salary increase budgets, coupled with greater salary increases in the higher education marketplace, have caused UM's market position to erode. It is critical for the state that the university maintain and, if possible, enhance its market position to be competitive in its ability to attract and retain quality faculty and staff. The total required investment to fund a 4 percent merit compensation pool and a 2% market adjustment pool for staff is \$31.6 million. In addition, we are anticipating a \$26.1 million increase to our employee benefits from increased costs in health care and retirement and from the merit pool increase. We are asking the state to fund a portion of this investment. The remaining amount will be funded by the university through efficiencies, reallocations and other sources including tuition.

Technology, Infrastructure and On-Going Costs: Total Need: \$20.1 million; State Request: \$10.8 million

Technological innovation, educational and research needs, as well as increasing mandates and compliance requirements drive the need to change and adapt. This funding represents the required investments in technology infrastructure, security, basic classroom technology, student service tools, and facility maintenance necessary to remain at the leading edge of discovery and education. Also included are the estimated costs to open the Orthopaedic Center on the Columbia campus, the Miller Nichols Library on the Kansas City campus and the addition and renovation of space of the St. Louis Grand Center and IT Enterprises Building. The total investment is \$20.1 million with the state funding a portion of the request and the remaining funding contributed by the university from other sources including tuition.

In summary, we are requesting the state fund the 4.2 percent increase, or \$19 million requested in FY2011 not funded that was part of a plan to increase funding to higher education, plus the core cut in FY2011 of \$23.5 million for a total of \$42.5 million of the \$77.8 million total needs identified. The current state funding level is significantly below the national average for comparable research universities in the nation. Some of the costs of being a research University include a higher compensated faculty, specialized facilities, and higher administrative costs due to complex compliance requirements. Neither the federal or state governments are funding these costs at sustainable levels.

III. COST EXPLANATION

Increase to Core for Annual Merit Increase in Compensation and Technology, Infrastructure and On-Going Costs

Required Investment to Ensure Quality and Competitiveness	\$42,500,000
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IV. EVALUATION OF OUTCOMES

An adjustment to the university's core budget to sustain quality and competitiveness will permit the continuation of educational, research, outreach programs, and economic development initiatives benefiting all citizens of Missouri.

The merit compensation increase is necessary to attract and retain high-quality faculty and staff, and reduce turnover.

The new and renovated facilities will provide additional usable space on the Columbia, Kansas City and St. Louis campuses. This outcome will be evaluated by our ability to support programs of instruction, research, and public service with these facilities.

The university's accountability measures have been finalized with benchmarks, three year targets, and peer comparators where applicable in order to heighten accountability and improve transparency. These measures track access and affordability, instructional quality and outcomes, research and scholarship quality and productivity, community-university engagement, innovation and economic development impact, and fiscal and operational stewardship.

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Cost to Continue: State Request \$25,063,729
Decision Item Rank: 2 of 6

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University is requesting an increase in core operating appropriation to fund a group of needs resulting from past reductions, the lack of inflationary increases in appropriations, and growing enrollments. The request from the state would be coupled with University resources and tuition and fees. These needs are described in four different categories:

- Competitive Ranked Faculty Compensation
- St. Louis Equity Adjustment
- Support for FY2001-FY2010 Enrollment Growth
- Joint University of Missouri Kansas City/Missouri State University Pharmacy Program

II. DESCRIPTION

All of the citizens of the state benefit from having a world-class public research university in the state, which requires additional state funding to continue these services as described below.

Competitive Ranked Faculty Compensation: State Request \$10.8 million

In 2007, the university identified the need for a three-year investment totaling approximately \$21.6 million in addition to the annual merit pool to reach the mean pay range for faculty in our comparator groups. The request will be used to address competitive market pressures in recruiting and retaining for the university's educators and researchers.

In an analysis of ranked faculty at public AAU universities, the Columbia campus ranked last out of 33 universities in the growth of base faculty salaries from fall 1997 to fall 2006. Additionally, the Columbia campus is 32 out of 33 when ranked according to the current average base salary provided to ranked faculty for fall 2006. The university's faculty compensation is so tenuous, in fact, that from 1997 to 2006, the average ranked faculty salary increases among public Association of American Universities (a group of the nation's most prestigious public and private research institutions) in the surrounding states of Illinois, Iowa, Kansas and Nebraska ranged from 29.2 percent to 47.2 percent. During this same time, faculty salaries at the

University of Missouri--Columbia increased an average of 20.4 percent. Similar problems exist with faculty salaries at the other University of Missouri campuses when compared to their peer groups. With permanent, increased funding, the average salary for ranked faculty can be improved to current, average salary levels among comparator institutions.

The university is requesting the state fund one-half of the total need identified of \$21.6 million. This initiative was not funded by the state in the FY2009, FY2010, or FY2011 appropriation request but the first year was funded internally. Therefore, the state investment would total \$10.8 million and since the university has funded \$3.6 million of this effort the remaining university share would be \$7.2 million. Like the first year, the university's \$7.2 million will be funded through efficiencies, reallocations and other sources. It is vital we fund this competitive compensation pool in addition to the annual merit compensation pool in order to bring our full-time ranked faculty compensation levels to the average of our peers. Increased state support is critical to our ability to provide resources for this purpose. If additional investment is not made by the state for this purpose the need will continue to grow and the compensation gap will widen.

St. Louis Equity Adjustment: State Request \$1.9 million

According to a 2002 Coordinating Board for Higher Education study that evaluated FTE funding relative to the mean and median of the appropriate Carnegie classification peer group, the University of Missouri—St. Louis (UMSL) had a significant funding gap of \$10.8 million in state appropriations. This funding gap has been addressed in the last few years by special funding allocations from System administration and new targeted funding from the state for a total of \$8.6 million. The FY2012 appropriation request of \$1.86 million is for an increase in state appropriations which when added to an additional \$345,500 reallocation provided by UM System would reach the target of \$10.8 million.

Various analytical studies conducted over the past several years have concluded that each UM campus is underfunded relative to its mission, program scope, level of students served and comparator institutions. However, UMSL's FY2007 state appropriation per weighted FTE student was the lowest in the state at \$3,936 compared to a high of \$7,207 at Harris-Stowe. Weighted FTE factors in the additional costs of educating first professional and graduate students and the doctoral and research mission unique to the University of Missouri. This comparison is significant because the other four-year institutions do not have the same doctoral and research mission as UMSL and the other University of Missouri campuses.

The University of Missouri-St. Louis is a premier metropolitan public research university. Its educational and research missions advance the economy and culture of the region and provide leadership at a national and international level. The campus supports an enrollment of over 15,000 students. Adequate funding is critical to the campuses' ability to deliver teaching, research, public service, and economic development to the citizens of the St. Louis region and the state.

Support for FY2001-FY2010 Enrollment Growth: State Request \$10.4 million

The University has identified the need for additional funding of \$20.9 million to support the extraordinary student enrollment growth on the University's four academic campuses since FY2001. The request is calculated on growth in enrollment at the University between fall 2000 and fall 2009; during a time in which state appropriations declined or were stagnate. This request does not reflect funding needs for the expected growth in fall 2010. The request is spread over two years with the first year investment from the state of \$10.4 million.

This request has been calculated using the methodology included in the Council on Public Higher Education funding model that has been submitted to the Department of Higher Education for consideration. The COPHE funding model is a multidimensional approach for funding Missouri public four-year universities. A component of the model recognizes institutions with significant absolute growth in enrollment of greater than 1,000 students and recommends a supplemental funding adjustment.

At the University's four-campus, enrollment between fall 2000 and fall 2009 increased by over 12,135 students, or 30.5%. This is the largest enrollment increase of any Missouri public four-year university during this period. In 2009, the University granted over 14,700 degrees contributing significantly to supporting an educated workforce in Missouri. This is a 35% increase over a ten-year period. While the University has been educating more and more students, its state appropriations have declined on a per student basis. The decline in funding support per student effectively erodes the level and the potential quality of the educational experience for students. Lack of funding for the significant growth in enrollment at the University has led to an increase in the percentage of classes with greater than 50 students. The additional funding would be used to reduce class sizes by hiring additional faculty and increase student support services. The current funding level is significantly below the national average for comparable research universities in the nation. To ensure the continued delivery of quality education for all students attending the University of Missouri a funding adjustment that acknowledges the increase in service volume is necessary.

Joint UMKC/MSU Pharmacy Program: State Request \$2.0 million

The University has identified a need to develop a satellite Doctor of Pharmacy degree program at Missouri State University. The University of Missouri-Kansas City (UMKC) initiated a satellite program for the Doctor of Pharmacy degree on the University of Missouri-Columbia campus in fall 2005. The program has been successful in receiving accreditation and had its first graduating class in May 2010. The location of this program in central Missouri is an attempt to address the current and future projected shortage of pharmacists in that part of our state. Recently, the Presidents of both the University of Missouri and Missouri State University (MSU) have established with one-time funding a similar satellite program for the delivery of the UMKC Doctor of Pharmacy professional degree at Missouri State University (MSU) campus in Springfield, Missouri, another area of the state that would be served by increasing the number of practicing pharmacists. Preliminary funding has been obtained to fund the pre-accreditation requirements and build the necessary infrastructure for initiation of the program, which could begin as early as fall 2012 contingent upon securing a sustaining appropriation of \$2.0 million to the University of Missouri in the 2011 legislative session.

Since 2007, the UMKC School of Pharmacy has worked with colleagues at MSU for articulation of the Doctor of Pharmacy satellite program. In reviewing the infrastructure needs for the program, it is clear that additional personnel and distance education equipment will be needed during the pre-accreditation period. Once this infrastructure is solidified, the sustaining appropriation will support the program in the future. This is truly a joint effort, as the pharmacy students on the MSU campus will be registered at UMKC, will be considered and treated as UMKC students, but will have the opportunity for ancillary services at MSU such as parking, library facilities, and other student activities. Over the course of the past two years, a series of meetings between various individuals in selected areas on both campuses has demonstrated that the necessary infrastructure can be put in place over the next two years to deliver this satellite program with quality for a cadre of 30 students/class on the MSU campus.

The curriculum for the UMKC Doctor of Pharmacy satellite program will be the same as at the UMKC campus. In reviewing coursework at MSU, it was noted that a number of basic health science courses overlap UMKC and MSU, providing the opportunity for students in the satellite program to take certain courses at MSU and receive transfer credit. This is, in large part, due to the fact that MSU has departments in life and health science areas that provide complementary coursework. Those courses that are not offered at MSU will be transmitted from UMKC via two-way audio/video to interactive classrooms that are available on the MSU campus.

In order to have this program be an accredited extension of the UMKC Doctor of Pharmacy program, it is necessary to have both UMKC faculty and staff based at MSU. Contingent on sustaining funding during the 2011-12 academic year, the School of Pharmacy is planning to recruit an Assistant/Associate Dean to serve as the chief administrator for this program at MSU along with a staff support person. Following establishment of the program, an additional 9.0 FTE UMKC clinical faculty will be placed at the MSU location to assist in both didactic and experiential components of the UMKC Doctor of Pharmacy program on the MSU campus. In addition, 2.0 FTE UMKC basic science faculty will be added on each campus to facilitate

course transmission, and a staff person will be added at UMKC to handle the associated responsibilities of the satellite program. In order to reach the desired outcomes of this program, a recurring appropriation of \$2.0 million is needed in FY2012.

In summary, we are requesting that the state participate in funding \$25.1 million for these efforts in FY2012.

III. COST EXPLANATION

	<u>State Appropriations</u>
Competitive Ranked Faculty Compensation State Share of Funding Years 1-3	\$10,800,000
St. Louis Equity Adjustment	1,863,729
Enrollment Growth State Share of Funding Year 1 of 2 year request	10,400,000
Joint UMKC/MSU Pharmacy Program	<u>2,000,000</u>
Total Increase from State Appropriation	\$25,063,729

IV. EVALUATION OF OUTCOMES

The competitive ranked faculty compensation adjustment is necessary to attract and retain high-quality faculty and staff and reduce turnover. The continued investment in compensation will bring ranked faculty salaries to the mean of peer groups over a three-year period. Future compensation analysis will be used to evaluate the outcome.

This investment in UMSL provides the funds needed to correct the equity funding gap in state appropriations identified by the 2002 Coordinating Board for Higher Education study. This investment in the land-grant research institution committed to meeting the diverse needs in the state’s largest metropolitan community will provide for continued educational, research and outreach programs benefiting all citizens of Missouri.

The additional investment due to enrollment growth in the state’s only land-grant doctoral-granting research institution will result in equitable funding per FTE student at the University of Missouri campuses and ensure quality educational experiences and enhance access and affordability for Missouri citizens.

The joint UMKC/MSU Pharmacy program will be added to the accredited offerings of the UMKC School of Pharmacy. If sustained funding is identified, a class of 30 students will begin the program in fall 2012 on the MSU campus.

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Protecting the University Infrastructure Through Increased Maintenance and Repair Investment: \$29,400,000
Decision Item Rank: 3 of 6

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University of Missouri is the state's premier research university of higher education and is a four-campus system with main campuses in Columbia, Kansas City, Rolla, and St. Louis. The university is requesting investment by the state to protect the university's facilities and infrastructure through increased expenditures for maintenance and repair (M&R). Because of funding challenges, addressing the M&R needs of the university has proven difficult and resulted in a backlog of maintenance. The need requires a funded commitment as the first step in a multiyear effort to stop further growth of—and reduce or appropriately manage—M&R backlogs.

II. DESCRIPTION

Since 2002, funds for facilities maintenance and repair have been reduced from 1.5% of Replacement Value to 1.0%. This has created a substantial backlog of repair and modernization needs. Although the effect on mission related operations is not yet severe, if not addressed, the deterioration of facilities will begin to impair operations. As those limited resources are used increasingly for critical repairs and renovations, fewer resources will be available for preventive repair and renovation work and the backlog will increase. As the normal deterioration of physical assets continues and backlog increases, we will not be able to keep up.

The University annually assesses its Stewardship and Reinvestment needs. Stewardship is the annual investment needed to ensure buildings will perform properly and reach their useful lives, the maintenance and repair or the keep up costs. Facilities Asset Reinvestment is the accumulated backlog of repairs and modernization needs, the catch up cost. The asset reinvestment backlog for FY2009 was \$839 million.

The university is currently investing \$30 million annually in ongoing maintenance and repair of facilities and capital equipment, which is \$10.7 million less than the 1 percent of the replacement value of the physical plant. In the 1990's the university received approximately \$12 million in state appropriations for M&R to partner on this effort. These funds are matched with \$18 million in other university funds on an annual basis for M&R of facilities and capital equipment.

The total need in FY2012 to stop further growth of maintenance/repair backlogs is approximately \$62.2 million to reach the 1.5% of replacement value target. This annual stewardship investment is estimated based on results of an external review of facilities replacement cost values completed recently. We are requesting that the state increase its current operating investment of \$12.1 million by an additional \$29.4 million to cover two-thirds of this need. This is not to be confused with the request for critical facility needs included in the capital appropriations request which will help reduce the reinvestment backlog.

II. COST EXPLANATION

Protecting the University Infrastructure Through Increased Maintenance and Repair Investment:

	<u>State Appropriations</u>
Maintenance & Repair request from the state	<u>\$29,400,000</u>
Total Increase from State Appropriation	\$29,400,000

III. EVALUATION OF OUTCOMES

The problems of maintenance/repair backlogs will be with us for a very long time unless additional annual investments are made. With additional stable funding we will be able to manage and minimize, although not eliminate, the chance of a major problem having unforeseen consequences on the university’s mission and operating budget.

- ***Additional Funds Will Slow Deterioration of the University’s Facilities:*** The state and the university have invested heavily in higher education facilities over the years. The value of these assets--many billions of dollars--demands more rapid action. Additional investment will decrease the maintenance/repair backlog and avoid future increases.
- ***Responsible Stewardship:*** The state and the university share the responsibility for the existence of today's serious maintenance problems. By augmenting the maintenance budgets, the state can further partner in the university’s efforts and underscore its intent that public facilities for higher education be properly maintained.

NEW DECISION ITEM REQUEST

**UNRESTRICTED EDUCATIONAL AND GENERAL
FORM 5**

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Missouri Returning Heroes Education Act: State Request \$956,837
Decision Item Rank: 4 of 6

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University of Missouri is requesting additional appropriation equivalent to the tuition waived in FY2009 and FY2010 for the Missouri Returning Heroes Education Act.

II. DESCRIPTION

The Missouri Returning Heroes Education Act, RSMo Section 173.900, became law on August 28, 2008. This law provides that all public institutions of higher education that receive state appropriated funds shall limit the amount of tuition charged to combat veterans to fifty dollars per credit hour as long as the veteran achieves and maintains a grade point average of 2.5 on a 4.0 scale, is enrolled in a program leading to certification or degree, and is attending in the ten year period following the last discharge from service. The law also provides that institutions may report the amount of tuition waived in a fiscal year and include the amount in the following year's appropriation request.

III. COST EXPLANATION

<u>Campus</u>	<u>Unduplicated Students</u>	<u>Fees Waived</u>
Columbia	144	\$390,781
Kansas City	96	263,341
Rolla	17	53,305
St. Louis	<u>118</u>	<u>249,411</u>
Total	375	\$956,838

Total Increase from State Appropriation \$956,838

The request is for FY2009 and FY2010 actual costs and reflects student headcounts and tuition waived for fall 2008, winter 2009, summer 2009, fall 2009, winter 2010, half of summer 2010 semesters. The student counts are unduplicated FY2009 plus unduplicated FY2010.

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Caring for Missourians: \$24.3 million
Decision Item Rank: 5 of 6

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University of Missouri is responsible to the State for providing access to quality educational experiences for Missouri's future health care providers. In FY2010 the University received a one-time appropriation of \$24.3 million for any one-time purpose that allowed us to invest \$24.3 million in the Caring for Missourian's initiative. This was used to address several years of funding shortages that severely impacted our health profession educational programs threatening our ability to provide access to the next generation of Missouri's health care providers. The primary goal for the University of Missouri health care professional schools is to recruit, educate, and retain the best students who will graduate to serve the health care needs of all Missourians. We stand ready to produce more health care professionals as that is the best way to specifically address the current and future health care worker shortage. The state's investment helped us create additional capacity for students across a wide variety of health professions including nursing, pharmacy, and medicine as well as others. In order to continue this progress the one-time funding is needed on a recurring basis.

This issue is not unique to the University of Missouri; rather, it impacts every other four-year institution and community college currently training health professionals in Missouri. Under the current funding structure, Missouri's higher education institutions are unable to keep pace with the increasing demand for health care professionals. As a result, the state is experiencing considerable shortages of health care workers. The outlook becomes worse when considering significant retirements among active practitioners, changes in technology and practice, and the increasing life span of our citizens.

The University of Missouri, the other four-year public institutions, and the State's community colleges have increased the number of student seats on a temporary basis in health professions and temporarily increased access to quality health professional education. The goal with additional funding will be to gradually increase class sizes by an average of about 20 percent in order to address the state's health professional shortages, which affect a broad range of our citizens, regardless of their socioeconomic status. Specifically, the University of Missouri requests funding for our health professional education programs at the University of Missouri-Columbia (UMC), the University of Missouri-Kansas City (UMKC), and the University of Missouri-St. Louis (UMSL), and for a pre-Med program at the Missouri University of Science and Technology (MO S&T). These programs educate our future physicians, nurses, dentists, optometrists, pharmacists and allied health professionals.

II. DESCRIPTION

Nurse Education

The state of Missouri is facing a dire shortage of nurses. The shortage is projected to become even more severe in upcoming years. The demand for RNs in the U.S. is expected to grow by 2 percent to 3 percent each year resulting in a shortage of registered nurses that could reach as high as 500,000 by 2025 unless drastic steps are taken to reverse this shortfall. Currently, Missouri is facing a 9.5 percent shortage of nurses resulting in approximately 12,900 unfilled positions. In 2005, the demand for RNs outpaced the supply by 17 percent and by 2020 demand is expected to outpace supply by 22 percent. The unfortunate result of nursing shortages can be compromised patient care. The U.S. Department of Health and Human Services found a correlation between lower nurse staffing levels and adverse patient outcomes. The University of Missouri educates baccalaureate and higher degree-prepared nurses. The University of Missouri nursing programs will continue to cooperate with the state's community colleges through their RN-to-B.S.N. programs and their accelerated B.S.N. programs to increase the number of baccalaureate-prepared nurses. There is also evidence that health care quality and patient outcomes may be affected by the shortage of nurses with a higher level of education. The Health Resources and Services Administration recommends baccalaureate degree preparation for at least two-thirds of the nursing workforce as the evidence clearly shows that higher levels of nursing education are linked with lower patient mortality rates, fewer errors and greater job satisfaction among RNs.

The University of Missouri has increased the number of graduates of baccalaureate, master's, and doctoral-level nursing students. The expanded numbers of graduate students will facilitate the graduation of nurses who might serve as faculty members for Missouri nursing programs, thereby contributing to reducing the nurse faculty shortage. To expand the pipeline of new nurses entering the profession, the University of Missouri nursing schools in St. Louis, Columbia and Kansas City have increased enrollment and capacity by over 159 exceeding the combined goal of 87 students annually. To support and continue this increase in student population the University of Missouri is requesting \$5.3 million for FY2012.

Physician Education

The University of Missouri has the state's two public medical schools at its Columbia and Kansas City campuses. The amount of state support per year per student has an impact on the ability of the university to sustain a quality medical education program at an affordable cost. Lack of funding also prevents the schools from increasing class sizes in order to deal with Missouri's physician shortage.

The Missouri Department of Health and Senior Services estimates that 108 out of 114 Missouri counties are designated as underserved by physicians. Multiple factors contribute to the shortage, including an increasing demand for physician services, an aging population and changing practice patterns. The Association of American Medical Colleges (AAMC) estimates that even if medical school enrollment increases now it would take 10 to 15 years to see increases in the number of practicing physicians due to the length of training required. As a result, the AAMC has called for medical schools to increase enrollments by 30 percent by 2015. Both of the University of Missouri's Schools of Medicine have begun to address Missouri's shortage by admitting additional students to increase the number of graduates, but continued funding is needed.

Specifically, the UMKC School of Medicine admitted 15 additional students and is working to reduce student attrition by providing additional student advising and other academic support. The school is also advising students to make them more competitive for postgraduate training programs in Missouri. The funding is also being used for developing pipeline projects to attract more Missouri students from rural Missouri counties and low income and underrepresented minorities into the BA/MD program and exploring partnerships with local colleges and universities to attract graduates to the UMKC MD program.

The UMC School of Medicine agreed to graduate an additional 16 physicians by 2015 (eight additional students admitted in the fall of 2010 and eight additional students admitted in the fall of 2011). The increase in state funding has allowed our clinical faculty to increase the amount of time educating students and, as a result, enabled the school to increase its class size and the number of graduates. The funding is being used to support the additional faculty time to teach, mentor and advise the additional students, develop a number of related programs and renovate the existing facilities to accommodate the additional students and make necessary upgrades. In another effort to address shortages in the state, particularly in rural communities, the UMC School of Medicine has allocated some of the funding to expand their Rural Track program. This enhances visibility in rural Missouri, increases rural practice opportunities for our medical students and increases the availability of health care in rural parts of the state. Students recruited from rural areas are more likely to return to practice in those areas. In order to be successful, these students in particular often require financial support.

The University of Missouri medical schools in Columbia and Kansas City have increased enrollment and capacity by a combined total of 31 students annually. To continue this effort of supporting more students and expanding scholarship opportunities, the University of Missouri is requesting \$11.7 million for FY2012.

Dentist Education

Missouri is experiencing a growing oral health care crisis as a result of a serious shortage of oral health practitioners – particularly in the urban cores of St. Louis and Kansas City and in rural Missouri. While the rate of decline of practicing dentists in the state appears to have tapered off, the average age of dentists in Missouri threatens to affect our future supply. To address the shortage, the School of Dentistry has increased its number of dental graduates. Five additional Missouri residents were accepted into the fall 2010 D.D.S. class with four additional students planned each year 2011 through 2013 for a total of 17 new seats on a temporary basis. Online review courses have been added to aid student success. Upgrades and additional workstation renovations are underway to accommodate the additional students. While these efforts have been successful, the dental school requires additional funding in order to further increase its number of students. To support this request, the University of Missouri is requesting \$2.1 million for FY2012.

Pharmacist Education

A significant shortage of pharmacists has been documented since the late 1990s. Current national data indicate that there are more than 8,000 unfilled pharmacy positions – a shortage that is expected to deepen. Long-range predictions forecast a national shortage of 157,000 pharmacists by the year 2020. The UMKC School of Pharmacy has attempted to address the critical shortage of pharmacists by increasing class size by 43 over the past three years. However, it takes six years for a student to matriculate so the impact of the current increased enrollment is significantly downstream. Analysis of Missouri Department of Economic Development data in light of current enrollment projects a shortfall of more than 700 pharmacists in the state of Missouri in 2012, despite the increased number of in-state graduates.

At UMKC funding has been used to hire clinical faculty to train the additional students, develop further distance education technology that will enhance the current UM-Columbia satellite Pharm.D. Program and begin initial program planning for other distance education programs that will increase opportunities for Missouri residents to pursue the Pharm.D. degree. Funds are also used to address the uneven distribution of pharmacists by developing rural opportunities for experiential rotations and funding scholarships that are tied to a loan forgiveness program to reward graduates who elect to practice in the state's shortage areas, thus redistributing pharmacy services to where they are most needed. In an effort to continue development of the plan to maximize class size, the School of Pharmacy seeks recurring appropriation to support this request. The University of Missouri is requesting \$2.3 million for FY2012.

Optometrist Education

Optometry is the nation's third largest independent health care profession. Data from the Missouri Department of Economic Development indicate that the demand for new optometrists is comparable with that of other primary care providers, with an average of 20 optometrists needed annually through 2012. The optometry program at UMSL is the only program in the state of Missouri and just one of 18 in the United States. Student fees at the UMSL College of Optometry continue to be the highest among the 18 schools and colleges of optometry. Many highly qualified prospective students conclude that the cost of education is not balanced by the design and condition of our campus facility, with marginally adequate academic, patient care and administrative areas. Thus, over one out of four Missourians who began their optometric education in the fall of 2007 did so outside the borders of Missouri. The result is that many of the students who leave Missouri to attend a more affordable school do not return to practice optometry in Missouri, fueling additional shortages with each year the high cost is not addressed.

With the additional Caring for Missouri funding, the UMSL College of Optometry increased class size by four in fall of 2009 with the goal of adding four students each year in 2010-2013 and concentrating on ethnic and minority students due to its location in a diverse metropolitan area. Access for highly qualified Missouri students has been enhanced through an increased number of scholarships and tuition assistance. To continue to address optometrist shortages, the College of Optometry seeks to increase enrollment and capacity annually. To support this request, the University of Missouri is requesting \$0.8 million for FY2012.

Health Professions Education

Through imaging, diagnostic sciences and rehabilitative sciences, allied health professionals are on the front line of disease detection and care. These professionals include occupational therapists, physical therapists, radiologic technologists, respiratory therapists, sonographers, and speech-language pathologists. Nationally, a shortage of up to 2.5 million allied health workers is predicted by 2020. The U.S. Department of Labor reports that allied health workers represent 60 percent of the American health care workforce. In Missouri health occupations are projected to increase 22.3 percent or by approximately 47,110 jobs by 2012.

The MU School of Health Professions (SHP) is the University of Missouri system's only school with this array of allied health degree programs, and the only public allied health PhD-granting institution in Missouri. It offers the nation's only master's-level program in diagnostic medical ultrasound and Missouri's only doctoral-level program in speech-language pathology. Recent departmental surveys of the school's graduates showed that approximately 86 percent of them remain in the state to practice, with an even distribution of rural and urban employment placement. Plans also are underway to work cooperatively with several of the state's community colleges to prepare occupational and physical therapy assistants to increase the supply of health professionals in these fields. Health care will continue to top the national domestic agenda, and major investments in schools like SHP are necessary to respond to societal needs for services, research, and educating the next generation of practitioners. To guarantee Missouri's allied health workforce needs are met, the School of Health Professions increased enrollment and capacity by making permanent additions to programs for 22 students and temporarily increasing 24 students in the programs it currently offers. To continue this effort, the University of Missouri is requesting \$1.6 million for FY2012.

Pre-Med/Healthcare Pipeline

The Missouri University of Science and Technology has used the Caring for Missourian's funding to enhance its pre-med pipeline in the biology department as well as other related departments. They are increasing awareness of pre-medicine as a career option and improving the preparation of all students in the skills for health profession schools. The goal is to provide an additional 5 students entering health care fields. To support this request, the University of Missouri is requesting \$0.5 million for FY2012.

III. COST EXPLANATION

Cost Summary

<u>Program/Discipline</u>	<u>Additional State Investment</u>
Nurse Education	\$ 5.3 million
Physician/Medical Education	11.7 million
Dentist Education	2.1 million
Pharmacist Education	2.3 million
Optometrist Education	0.8 million
Health Professions Education	1.6 million
Pre-Med Pipeline	<u>0.5 million</u>
Total Recurring State Request	\$24.3 million

IV. EVALUATION OF OUTCOMES

Nurse Education

- Sustain an increase of additional students graduating annually among our three nursing schools.
- Increase the number of graduates that remain in Missouri.
- Continue to work with statewide community colleges to ensure a smooth transition for two-year graduates wanting to complete a bachelor's degree in nursing.

Physician Education

- Sustain an increase of additional students graduating annually among our two medical schools.
- Maintain Liaison Committee on Medical Education (LCME) accreditation.
- Increase the number of graduates that practice in rural or underserved areas.

Dentist Education

- Sustain an increase of additional students graduating annually.
- Increase the number of our graduates that practice in underserved rural or urban areas.

Pharmacist Education

- Sustain an increase of additional students graduating annually.
- Increase the number of Missouri residents accepted into the Doctor of Pharmacy program.
- Increase the number of graduates that practice in the urban core or rural Missouri.

Optometrist Education

- Sustain an increase of additional students graduating annually.
- Increase need-based scholarships.
- Increase retention of highly qualified Missouri resident graduates.

Health Professions Education

- Sustain an increase of additional students graduating annually.
- Increase the number of students remaining in Missouri to practice.
- Continue to work with statewide community colleges to ensure a smooth transition for two-year graduates wanting to complete a bachelor's degree.

NEW DECISION ITEM REQUEST

**UNRESTRICTED EDUCATIONAL AND GENERAL
FORM 5**

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Meeting Workforce Needs: State Request \$2.0 million
Decision Item Rank: 6 of 6

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University is requesting a \$2.0 million increase in core operating appropriation to address the state’s workforce needs in Science, Technology, Engineering, and Mathematics. The request from the state would be coupled with donor resources.

II. DESCRIPTION

This request is an effort to raise Missouri’s failing national grade in science, technology, engineering and math education by supporting K-12 and college education in these areas. Missouri ranks near the bottom of all states in the proportion of science and engineering degrees awarded. Moreover, math skills for Missouri’s fourth graders rank in the bottom third nationally, and scores of eighth-graders have declined in national assessments, ranking Missouri below 34 other states.

This request for state funds would leverage donor funds on a 1 to 1 match basis to support undergraduate scholarships, loan forgiveness programs and other initiatives in the Science, Technology, Engineering, and Mathematics fields. This support would encourage more students to enter these fields of study, and provide assistance for those students to graduate from these fields and then remain in the state for a minimum period of time or be required to repay the funds. In addition, these funds could be used to leverage donor support to provide cooperative summer programs for middle and high school students to encourage interest as well as teaching preparatory programs in these disciplines. The scholarship program would be a \$15,000 state match for a \$15,000 donation to provide for 134 annual need-based scholarships at \$1,500 each if all the funds were used for this purpose.

In summary, we are requesting that the state participate in funding \$2.0 million for these efforts in FY2012.

III. COST EXPLANATION

Meeting Missouri’s Workforce Needs in Science, Technology, Engineering, And Mathematics	\$2,000,000
Total Increase from State Appropriation	\$2,000,000

Other Programs

FY2012 APPROPRIATIONS REQUEST FOR OPERATIONS

SUMMARY OF OTHER PROGRAM REQUESTS

UNIVERSITY OF MISSOURI SYSTEM

	STATE APPROPRIATED FUNDS	NON-STATE FUNDS	TOTAL FUNDS
University of Missouri Hospitals and Clinics	\$13,275,885	\$634,557,231	\$647,833,116
Missouri Rehabilitation Center	\$12,085,882	\$23,816,770	\$35,902,652
Missouri Kidney Program	\$4,137,747		\$4,137,747
Missouri Research and Education Network (MOREnet)	\$6,823,717	\$10,722,532	\$17,546,249
Missouri Telehealth Network	\$882,601		\$882,601
Alzheimer's Program	\$436,480		\$436,480
Spinal Cord Injury Fund	\$625,000 E		\$625,000 E
State Seminary Fund	\$4,275,000		\$4,275,000
State Historical Society of Missouri	\$1,671,120		\$1,671,120

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

UNIVERSITY OF MISSOURI - COLUMBIA HOSPITALS AND CLINICS INCLUDING ELLIS FISCHER CANCER CENTER

	FY2009 Actual	FY2010 Estimated	FY2011 Planned & FY2012 Core	Restoration of the Core	Increase for Sustaining Quality and Service	FY2012 Request
EXPENDITURES:						
Personal Services	225,055,366	234,582,306	258,628,469		\$10,862,396	\$269,490,865
Medical Supplies & Drugs	105,149,881	107,467,660	109,424,936		4,595,847	114,020,783
Purchased Services and Support	94,847,741	97,036,826	98,839,859		4,151,274	102,991,133
Federal Reimbursement Allowance	27,314,036	31,017,267	32,654,463		1,371,487	34,025,950
Other Expenditures	43,514,452	46,826,675	51,636,824		2,168,747	53,805,571
Transfers to Plant for Current Capital	47,604,621	107,215,239	50,833,437	4,730,147	2,135,004	57,698,588
Transfer for Future Master Facility Plan & Other	15,279,004	(24,229,371)	15,163,364		636,861	15,800,225
Total Expenditures	\$558,765,101	\$599,916,602	\$617,181,352	\$4,730,147	\$25,921,617	\$647,833,116
Net Paid FTE	4,576.7	4,639.7	4,851.9			
SOURCES OF FUNDS:						
State Appropriations (Excluding MUPC Approps)	\$12,150,051	\$9,018,594	\$8,201,284	\$4,730,147	\$344,454	\$13,275,885
Non-State Revenues						
Patient Service Revenue	484,869,242	494,084,610	529,654,567	0	22,245,492	551,900,059
Federal Reimbursement Allowance	52,340,312	64,452,015	56,554,013		2,375,269	58,929,282
Other	9,405,496	32,361,383	22,771,488	0	956,402	23,727,890
Total Non-State Revenues	546,615,050	590,898,008	608,980,068	0	25,577,163	634,557,231
Total Sources	\$558,765,101	\$599,916,602	\$617,181,352	\$4,730,147	\$25,921,617	\$647,833,116

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

UNIVERSITY OF MISSOURI - COLUMBIA HOSPITALS AND CLINICS INCLUDING ELLIS FISCHER CANCER CENTER

	<u>FY2010 Estimated</u>		<u>FY2011 Planned & FY2012 Core</u>		<u>Restoration of the Core</u>		<u>Increase for Sustaining Quality and Service</u>	<u>FY2012 Request</u>	
	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:									
Teaching and Research	469.5	\$18,527,415	478.9	\$19,772,115			\$830,429	478.9	\$20,602,543
Exec., Admin., Managerial	493.7	19,479,417	542.0	22,376,344			939,806	542.0	23,316,151
Professional	2,031.7	80,169,517	2,087.3	86,179,976			3,619,559	2,087.3	89,799,535
Technical	779.5	30,756,974	795.2	32,833,329			1,379,000	795.2	34,212,329
Office	470.9	18,582,338	492.5	20,333,026			853,987	492.5	21,187,013
Crafts and Trades	104.4	4,119,238	101.9	4,206,833			176,687	101.9	4,383,520
Service	290.0	11,442,327	354.2	14,623,752			614,198	354.2	15,237,950
Staff Benefits		51,505,081		58,303,094			2,448,730		60,751,824
Total Personal Services	4,639.7	\$234,582,306	4,851.9	\$258,628,469	0.0	\$0	\$10,862,396	4,851.9	\$269,490,865
EXPENSE AND EQUIPMENT:									
Fuel and Utilities		\$7,670,728		\$10,175,634			\$427,377		\$10,603,011
Equipment and Equipment Maintenance		8,219,157		12,496,572			524,856		13,021,428
Medical Supplies and Drugs		107,467,660		109,424,936			4,595,847		114,020,783
Transfers to Plant for Current Capital		107,215,239		50,833,437		\$4,730,147	2,135,004		57,698,588
Transfe for Future Master Facility Plan Funding		(24,229,371)		15,163,364			636,861		15,800,225
All Other		158,990,883		160,458,940			6,739,275		167,198,215
Total Expense & Equipment		\$365,334,296		\$358,552,883		\$4,730,147	\$15,059,221		378,342,251
Grand Total	4,639.7	\$599,916,602	4,851.9	\$617,181,352	0.0	\$4,730,147	\$25,921,617	4,851.9	\$647,833,116

CORE BUDGET REQUEST ANALYSIS

FORM 4

UNIVERSITY OF MISSOURI HOSPITALS AND CLINICS

I. MISSION STATEMENT

As part of a land-grant university, University of Missouri Health Care's core mission is to enhance the health of all people, especially Missourians. Through exceptional clinical service, University of Missouri Health Care supports the education and research missions of the University of Missouri. Our vision: Through discovery and innovation, University of Missouri Health Care will be the model health care provider for exemplary patient-centered and family-centered care.

II. PROGRAM DESCRIPTION

University Hospital, University of Missouri Health Care's flagship hospital, is a major quaternary-care referral center that operates 268 acute care beds and 60 psych beds. It offers total medical and surgical care and is the only facility in the primary service area with a burn unit, organ transplant services and genetic counseling services. The hospital offers one of the two Level I trauma centers located in Missouri verified by the American College of Surgeons. The emergency services program includes central Missouri's only air ambulance service accredited to provide emergency medical care at accident scenes and in the air, and a ground ambulance service that also offers a dedicated vehicle equipped to transport neonates and children. University Hospital opened the Missouri Orthopaedic Institute in June of 2010. This facility provides state of the art orthopaedic services including 16 inpatient beds, 5 additional operating rooms, as well as outpatient clinic facilities. University Hospital is affiliated with nearby Harry S. Truman Veterans' Hospital which reinforces its leadership role in providing health care services to the region.

The University of Missouri purchased Columbia Regional Hospital (CRH) in 1999 from the Tenet Corporation. Prior to the purchase CRH had operated as a for-profit hospital since it opened in 1974. All of University of Missouri Health Care's inpatient and outpatient obstetrics and gynecology services are located on the CRH campus. All outpatient clinics were integrated in 2002 and reopened as Missouri OB/GYN Associates. In November 2003 all inpatient services were moved into the CRH Family Birth Center, which is experiencing a record number of deliveries.

In the early 1990s, University Hospital and MU School of Medicine administrators decided to develop a children's center within the hospital. In 1993, the center was renamed Children's Hospital to represent its full scope of pediatric services. This "virtual hospital" is mid-Missouri's largest and most comprehensive pediatric health-care facility. It has a Level III Newborn Intensive Care Unit and a new born nursery located at Columbia Regional. During the fall of 2010, the dedicated pediatrics unit, adolescent unit and a pediatric intensive care unit currently within University Hospital are planned to be relocated to Columbia Regional, giving Children's Hospital a new state of the art facility. The only other full-service children's hospitals in the state are located in Kansas City and St. Louis. With this relocation, CRH has been renamed Women's and Children's Hospital and will have 148 acute care beds.

In 1990, the State transferred Ellis Fischel Cancer Center to University Hospital. The center opened in 1940 as the first state cancer hospital west of the Mississippi River and the nation's only cancer center designed for patients who could not pay for their care. Its inclusion as a member of University of Missouri Health Care is paving the way for Ellis Fischel to become one of the country's outstanding cancer centers. It was designated as Missouri's official state cancer center in 2004. Ellis Fischel is a statewide referral center that provides comprehensive inpatient and outpatient cancer services unavailable in many communities.

In November 2000, the inpatient unit at Ellis Fischel moved to University Hospital to provide patients with improved access to state-of-the-art ICUs, as well as specialists and sub specialists not readily available on the Ellis Fischel campus. The Ellis Fischel campus retained all adult outpatient oncology services and the cancer-screening program. Plans are underway for a replacement facility for Ellis Fischel on the University Hospital campus, however \$31 million in state funding for this project is currently being held. In June 2010 the decision was made to move forward with this plan using bond funding.

In July 2009, the State transferred Mid-Missouri Mental Health Center to University Hospital, which opened the current 60 beds as University of Missouri's Psychiatric Center (MUPC). This facility is adjacent to University Hospital and the State provided \$13 million in appropriations over two years for needed improvements to the facility.

In 1996, state legislation transferred responsibility of the state-run Missouri Rehabilitation Center (MRC) to University of Missouri Health Care. While normal MRC operations are not included in University of Missouri Columbia Hospitals and Clinics state appropriation documents, University of Missouri Health Care subsidizes MRC's operating costs. Additional information is available in Missouri Rehabilitation Center's state appropriation request documents.

The University of Missouri Columbia Hospitals and Clinics has started a multi year \$280 million dollar Master Facilities Plan which includes the construction of a new Missouri Orthopaedic Institute (opened in June 2010), the addition of a new patient tower at University Hospital, a replacement facility for Ellis Fischel, and new facilities for Children's Hospital. This plan is being funded from a variety of sources including a bond issue, philanthropy, and operations. These projects are expected to continue through FY2013.

III. PERFORMANCE AND ACTIVITY MEASURES

	<u>FY2010 Estimated</u>	<u>FY2011 Planned</u>	<u>FY2012 Planned</u>
A. Students Participating in Hospital Activities at all locations:			
Medical Students	387	387	387
Nursing Students	385	385	385
Graduate Nursing Students	12	12	12
Interns and Residents	421	427	427
Total	1,205	1,211	1,211
B. Hospital Fiscal Data:			
Net Non-State Revenue	\$590,898,008	\$608,980,068	\$634,557,231
State Revenue (Percent of Total)	1.55%	1.37%	2.09%
C. Percent of Discharges By Service (Includes Adult and Newborn)			
Child Health	9.26%	7.47%	7.47%
Family and Community Medicine	8.01%	6.58%	6.58%
Medicine	26.82%	24.54%	24.54%
Neurology	4.88%	4.26%	4.26%
Orthopedics	6.77%	4.74%	4.74%
Otolaryngology	2.22%	1.37%	1.37%
Psychiatry	12.97%	18.82%	18.82%
Surgery	28.32%	31.74%	31.74%
Other	0.75%	0.48%	0.48%
Total	100.00%	100.00%	100.00%
D. Inpatient Discharges By Responsibility: (Includes Adult and Newborn)			
Medicare	29.59%	29.59%	29.59%
Medicaid	30.79%	30.79%	30.79%
Managed/Commercial	32.11%	32.11%	32.11%
Self Pay & Other	7.51%	7.51%	7.51%
Total	100.00%	100.00%	100.00%

III. PERFORMANCE AND ACTIVITY MEASURES-UNIVERSITY HOSPITALS & CLINICS (Continued)

	<u>FY2010 Estimated</u>	<u>FY2011 Planned</u>	<u>FY2012 Planned</u>
E. Inpatient Days:			
Adult and Pediatric	112,522	118,820	118,820
Newborn	3,284	3,736	3,736
Total	<u>115,806</u>	<u>122,556</u>	<u>122,556</u>
F. Clinic Visits	532,239	585,575	585,575
G. Emergency Room Visits	48,936	50,585	50,585
H. Hospital Statistical Data:			
Number of Beds (Adult & Pediatric)	459	476	476
Percent Occupancy	67.16%	68.39%	68.39%
Number of Short Stay Arrived Patients	11,990	11,027	11,027
Number of Observation Arrived Patients	4,605	4,129	4,129
Number of Surgery Cases (Inpatient and Outpatient)	18,728	20,495	20,495
Number of Perinatal Surgery Cases (Inpatient and Outpatient)	814	875	875
I. Size of Physical Plant:			
Number of Gross Square Feet	2,258,057	2,376,041	2,376,041
Number of Net Assignable Feet	1,376,755	1,439,866	1,439,866
J. Book Value of Equipment Inventory:			
At June 30, 2008	\$198 million		
At June 30, 2009	\$212 million		
At June 30, 2010 - Estimated	\$229 million		

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: University of Missouri Hospitals and Clinics

Program is found in the following core budget(s): University of Missouri Hospitals and Clinics

1. What does this program do?

This program funds the University of Missouri Hospitals and Clinics which provides a wide range of specialized health delivery programs.

University Hospitals, including University of Missouri Psychiatric Center, operates 328 beds. It offers medical and surgical care and is the only facility in the primary service area with a burn unit, organ transplant services and genetic counseling services. The hospital offers one of the two Level I Trauma Centers located in Missouri accredited by the American College of Surgeons. The emergency services program includes an air ambulance service and a ground ambulance service that offers a dedicated vehicle equipped to transport neonates and children. In July 2009 University Hospital acquired University of Missouri Psychiatric Center from the State of Missouri.

Children's Hospital offers a full scope of pediatric services including a dedicated pediatrics unit, a Level III neonatal intensive-care unit and a pediatric intensive-care unit. It is anticipated that the major children's hospital services will be located at Women's and Children's Hospital (formerly Columbia Regional Hospital) in FY2011, giving Children's Hospital a new state of the art facility.

Women's and Children's Hospital (W&CH) provides all of the University of Missouri Health Care's inpatient and outpatient obstetrics and gynecology services. All outpatient clinics were integrated in 2002 as Missouri OB GYN Associates. In November 2003 all inpatient services were moved to W&CH Family Birth Center which is experiencing record number of deliveries. Additional Pediatric Services are expected to move to W&CH in FY2011 bringing their acute beds to 148.

Ellis Fischel Cancer Center provides diagnosis and treatment, detection, information, clinical research through modern diagnosis and treatment modalities, and education to health care professionals and Missouri residents regarding all aspects of cancer. These services are provided to inpatients and outpatients. Ellis Fischel Cancer Center is a statewide referral center that provides cancer services unavailable in many communities.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 172.810-172.830, RSMo

3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

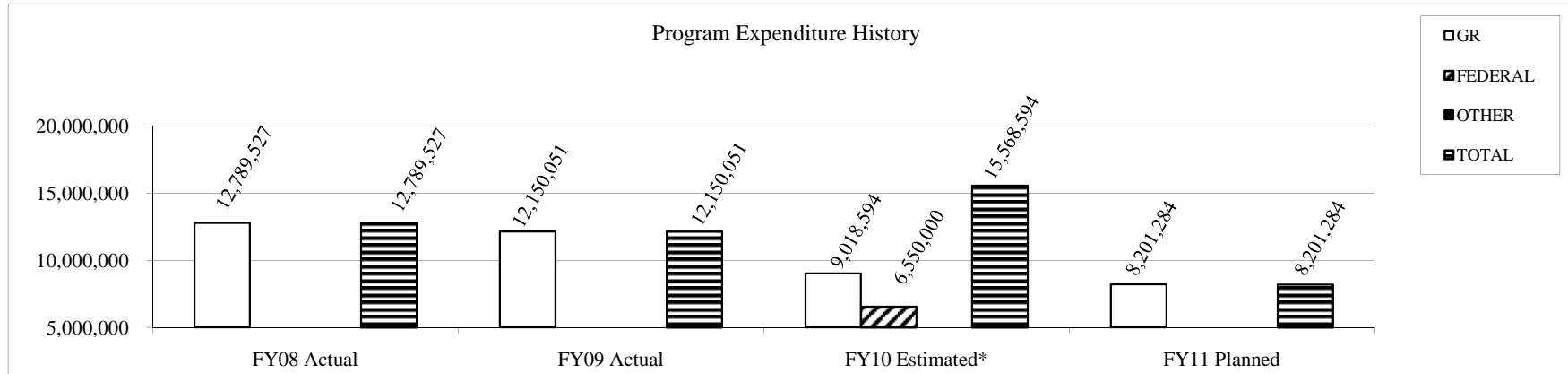
PROGRAM DESCRIPTION

Department of Higher Education

Program Name: University of Missouri Hospitals and Clinics

Program is found in the following core budget(s): University of Missouri Hospitals and Clinics

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



Appropriations are net of Governor's 3% Withholding

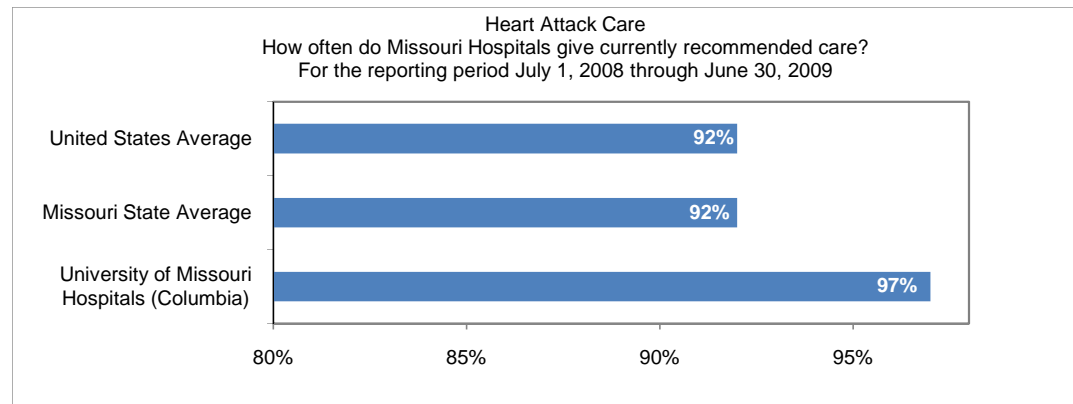
* FY10 Estimated includes Missouri Psychiatric Center Appropriation \$6.5 million.

6. What are the sources of the "Other " funds?

All appropriated funds are from General Revenue with the exception of the FY10 Federal Stabilization funding of \$6.5 million. However, the Hospital generates substantial revenue from patients and 3rd party payors. See Form 4 for detail of nonstate revenues.

7a. Provide an effectiveness measure.

The accompanying graph, sponsored by the Centers for Medicare and Medicaid through the QualityNet public reporting initiative, represents a composite score for heart attack care. The composite scores in the graphs were calculated as the average rate of six heart attack indicators. Thus, these rates show an overall percentage of times hospitals gave currently recommend care between July 2008 and June 2009. A higher percentage indicates providing recommended care more often. University Hospitals and Clinics is performing better than the state or nation average in the best heart attack care.



PROGRAM DESCRIPTION

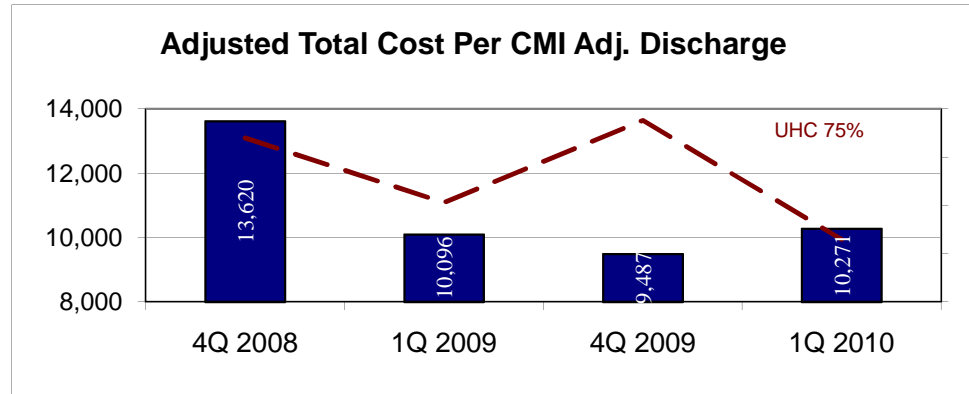
Department of Higher Education

Program Name: University of Missouri Hospitals and Clinics

Program is found in the following core budget(s): University of Missouri Hospitals and Clinics

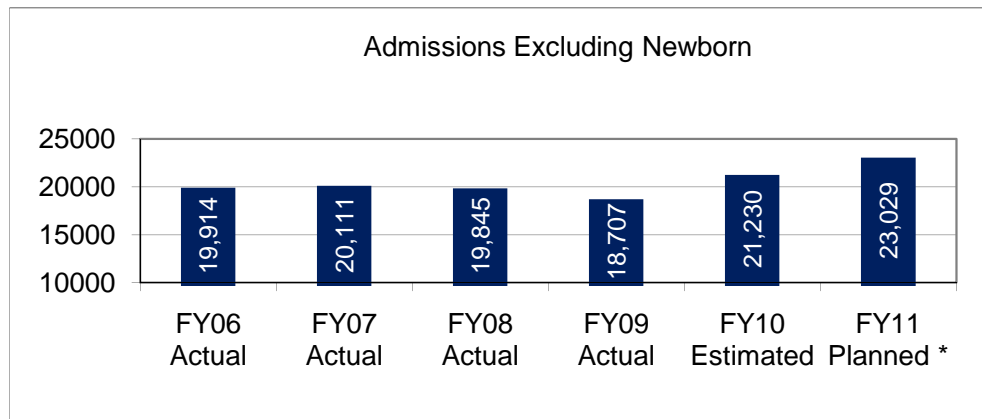
7b. Provide an efficiency measure.

University Hospitals and Clinics benchmarks overall efficiency with other university teaching hospitals. The best overall indicator of efficiency is cost per adjusted discharge. Lower costs, with consistent quality, would indicate higher efficiency. Because of the Hospital and Clinics small size and depth of services, its costs of care are higher than other medical centers, but within the 75th percentile. *The Adjusted Total Cost per Case Mix Index Adjusted Discharge, at the 75th percentile from the University Hospital Consortium (UHC) comparator group of Solucient Benchmarks for the first quarter of Calendar 2010 is \$10,629.



7c. Provide the number of clients/individuals served, if applicable.

The accompanying graph depicts the historical and projected admissions excluding newborn for University of Missouri Hospitals and Columbia Regional Hospital.



* FY10 Planned includes Missouri Psychiatric Center Days

PROGRAM DESCRIPTION

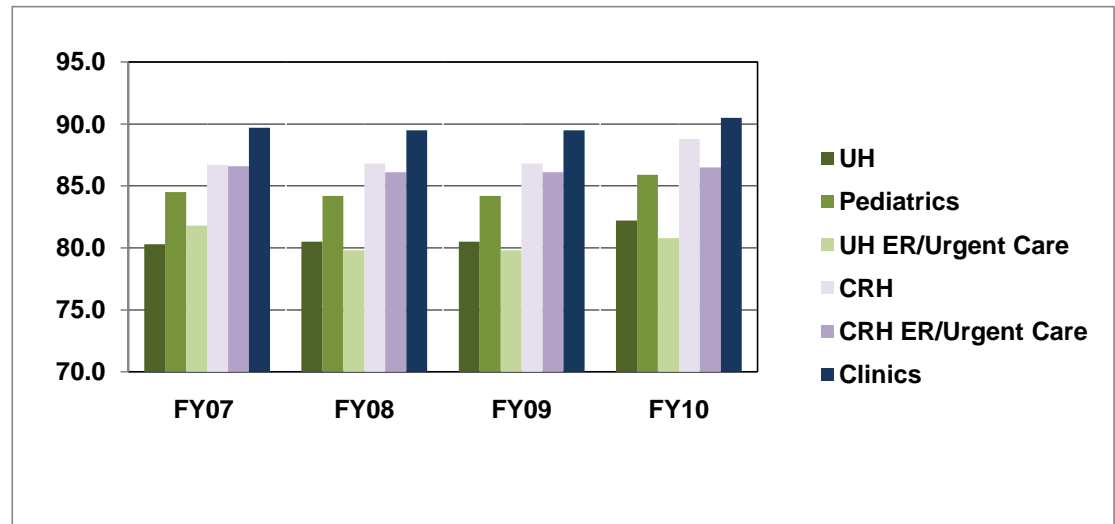
Department of Higher Education

Program Name: University of Missouri Hospitals and Clinics

Program is found in the following core budget(s): University of Missouri Hospitals and Clinics

7d. Provide a customer satisfaction measure, if available.

The overall patient satisfaction can be judged by using the overall mean score as reported by Press, Ganey Associates INC. The closer the score to 100, the more Patients are rating their satisfaction as "Very Good". These numbers are derived by an overall composite of all standard questions on all the survey instruments for all services at University Hospitals and Clinics.



NEW DECISION ITEM REQUEST

UNIVERSITY OF MISSOURI HOSPITALS & CLINICS FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 University Hospitals and Clinics
Decision Item Name: Restoration of the Core and Increase for Sustaining Quality and Service: \$5,085,254
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to previous funding levels and provide an increase for sustaining quality and service.

The core mission of University of Missouri Hospitals and Clinics as part of University of Missouri Health Care is to advance the health of all people, especially Missourians. Through exceptional clinical service, University of Missouri Health Care supports the education and research missions of the University of Missouri. Our vision: Through discovery and innovation, University of Missouri Health Care will be the model health care provider for exemplary patient- and family-centered care. Our culture is based upon patient-centered care and driven by the core values of respect, integrity, fairness, openness, excellence, accountability and performance.

The University Hospital (including Ellis Fischel Cancer Center) state appropriations have declined in recent years. The funding situation becomes even more problematic when adjusted for inflation. University of Missouri Hospitals has not had its request for increases to fund mandatory costs approved since FY2001. To continue its operations at current levels, including its Tier 1 Safety Net Hospital, University of Missouri Hospitals and Clinics will require increases in state support to cover mandatory increases in staff compensation, hospital operations, equipment and uncompensated care.

II. DESCRIPTION

This request includes restoration of the \$4,730,147 core cut to the budget in FY2010 and FY2011. In addition, a \$355,107 increase for sustaining quality and service is requested.

While University of Missouri's Hospitals and Clinics has aggressively controlled costs and enhancing revenues over the past years, its cost to deliver services to the public continues to rise. There are fixed cost increases associated with utilities, medical equipment, pharmaceuticals, and supplies and services, as well as increased costs associated with staff compensation. The hospital has undergone difficult but necessary reorganizations and streamlining to remain solvent. Lack of restoration of its core appropriations impairs the ability of University Hospitals and Clinics to continue to provide the same level of services for the citizens of Missouri.

University of Missouri Hospitals and Clinics will require funds to offset the rising costs of providing healthcare. An adjustment of 4.2 percent on the state appropriation base is requested to help offset non-discretionary increases in the University Hospitals and Clinics budget. The personnel policies are the same for these programs as for the general operations of the university. In addition, University of Missouri Hospitals and Clinics are investing in the construction of a new patient tower to improve the facilities and care for patients. A major component of this project is a replacement facility for Ellis Fischel Cancer Center.

III. COST EXPLANATION

Restoration of the Core funding cut FY2010 and FY2011	\$4,730,147
Increase for Sustaining Quality and Service (4.2 percent of State Appropriation)	<u>355,107</u>
Total State Appropriations	\$5,085,254

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI REHABILITATION CENTER

	FY 2009 Actual	FY 2010 Estimated	FY2011 Planned & FY2012 Core	Restoration of the Core	Increase for Sustaining Quality and Service	FY2012 Request
EXPENDITURES:						
Personal Services	\$23,214,656	\$23,070,972	23,124,758		\$971,240	\$24,095,998
Medical Supplies & Drugs	2,006,349	1,956,379	1,827,191		76,742	1,903,933
Purchased Services and Support	1,768,969	1,881,466	2,156,168		90,559	2,246,727
Federal Reimbursement Allowance	1,600,105	1,423,416	1,418,770		59,588	1,478,358
Other Expenditures	3,285,267	3,051,448	3,320,257		139,451	3,459,708
Transfers to Plant from Current Capital	2,730,730	1,947,655	1,347,511	\$1,313,821	56,595	2,717,927
Total Expenditures and Transfers	<u>\$34,606,076</u>	<u>\$33,331,336</u>	<u>\$33,194,655</u>	<u>\$1,313,821</u>	<u>\$1,394,176</u>	<u>\$35,902,652</u>
Net Paid FTE	403.9	393.6	385.3		385.3	-
SOURCES OF FUNDS:						
State Appropriations	\$10,737,033	\$10,067,600	\$10,337,870	\$1,313,821	\$434,191	\$12,085,882
Non-State Revenues						
Net Patient Revenues	\$14,156,322	\$11,732,135	\$13,630,901		\$572,498	\$14,203,399
Federal Reimbursement Allowance	8,236,407	9,778,092	7,382,772		310,076	7,692,848
Other Revenues	1,476,314	1,753,509	1,843,112		77,411	1,920,523
Total Non-State Revenues	<u>\$23,869,043</u>	<u>\$23,263,736</u>	<u>\$22,856,785</u>	<u>\$0</u>	<u>\$959,985</u>	<u>\$23,816,770</u>
Total Sources	<u>\$34,606,076</u>	<u>\$33,331,336</u>	<u>\$33,194,655</u>	<u>\$1,313,821</u>	<u>\$1,394,176</u>	<u>\$35,902,652</u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI REHABILITATION CENTER

	<u>FY2010 Estimated</u>		<u>FY2011 Planned & FY2012 Core</u>		<u>Restoration of the Core</u>		<u>Increase for Sustaining Quality and Service</u>	<u>FY2012 Request</u>	
	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:									
Teaching and Research	0.2	\$10,907	-	\$0		\$0	\$0	0.0	\$0
Exec., Admin., Managerial	55.8	2,577,591	54.7	2,556,357			107,367	54.7	2,663,724
Professional	180.2	8,321,730	185.2	8,655,608			363,536	185.2	9,019,144
Technical	83.9	3,873,658	72.7	3,398,874			142,753	72.7	3,541,627
Office	24.2	1,116,108	23.2	1,085,552			45,593	23.2	1,131,145
Crafts and Trades	17.9	828,901	18.5	864,121			36,293	18.5	900,414
Service	31.4	1,448,759	30.9	1,442,001			60,564	30.9	1,502,565
Staff Benefits		4,893,318		5,122,245			215,134		5,337,379
Total Personal Services	393.6	\$23,070,972	385.3	23,124,758	-	\$0	\$971,240	385.3	\$24,095,998
EXPENSE AND EQUIPMENT:									
Fuel and Utilities		\$652,946		\$748,149			\$31,422		\$779,571
Equipment and Equipment Maintenance		661,711		762,158			\$32,011		794,169
Medical Supplies and Drugs		1,956,379		1,827,191			\$76,742		1,903,933
Transfers to Plant for Current Capital		1,947,655		1,347,511		\$1,313,821	\$56,595		2,717,927
Other Expenditures		5,041,673		5,384,888			\$226,165		5,611,053
Total Expense & Equipment		\$10,260,364		\$10,069,897		\$1,313,821	\$422,936		\$11,806,654
Grand Total	393.6	\$33,331,336	385.3	\$33,194,655	-	\$1,313,821	\$1,394,176	385.3	\$35,902,652

CORE BUDGET REQUEST ANALYSIS

FORM 4

MISSOURI REHABILITATION CENTER

I. MISSION STATEMENT

As part of a land-grant university, University of Missouri Health Care's core mission is to advance the health of all people, especially Missourians. Through exceptional clinical service, University of Missouri Health Care supports the education and research missions of the University of Missouri. Our vision: Through discovery and innovation, University of Missouri Health care will be the model health care provider for exemplary patient and family centered-care.

II. PROGRAM DESCRIPTION

Missouri Rehabilitation Center (MRC) is a 71-bed rehabilitation hospital committed to providing compassionate rehabilitation services. It is recognized throughout the Midwest as a leading long-term acute care center for physical medicine and rehabilitation. Located 30 miles from Springfield and Joplin in Mount Vernon, the hospital houses an array of experts and programs for patients recovering from serious illness or injury. Comprehensive services include both inpatient and outpatient programs and specialized treatment for traumatic brain injuries, strokes, spinal cord injuries and orthopedic injuries.

In 1996, state legislation transferred responsibility of the state-run hospital — the last to be operated by the Missouri Department of Health — to University of Missouri Health Care.

Founded in 1907 as a state tuberculosis hospital, MRC's services have greatly expanded throughout the years, first to a broad range of pulmonary treatments and then to a center for comprehensive physical rehabilitation. Extensive efforts are made to help patients reach their fullest physical potential and to develop self-help/care skills. A state-of-the-art intensive care unit was opened in the summer of 2001. The ICU has two distinct benefits: It provides expanded space that allows the center to accept more acute rehabilitation patients, and it allows medical staff to start rehabilitation efforts sooner.

MRC houses the largest traumatic brain injury program in Missouri, offering a full continuum of services including inpatient intensive care. MRC has one of the highest success rates for weaning patients from ventilator dependence. Center research led to a computer program allowing quadriplegics and others with disabilities to operate computers with their eyes.

Long-term (sub-acute) rehabilitation care is labor-intensive and time consuming. Very few facilities in the state provide such care, especially for head injury patients, and particularly for indigent or Medicaid patients. Almost 90% of MRC's patient charges are with self pay patients or patients with governmental payors (Medicare, Medicaid, Veterans Administration). Recently, competition has increased for patients with commercial resources, due to the opening of long term acute care hospitals in the area.

With increasing competition, lower volumes, and the increasing cost of resources, MRC is expected to operate at a loss in FY2011. Income from operations are not sufficient to fund required capital investment thereby resulting in subsidy by UMHC to avoid deficits in capital funding. While MRC continues to seek cost efficiencies as well as new business opportunities, it will be challenging to succeed without increasing state support. Receiving the requested restoration of the core and the 4.2 percent increase in operating appropriation is critical.

III. PERFORMANCE AND ACTIVITY MEASURES

	<u>FY2010 Estimated</u>	<u>FY2011 Planned</u>	<u>* FY2012 Planned</u>
A. Hospital Fiscal Data:			
Total Non State Revenues	\$23,263,736	\$22,856,785	\$23,816,770
State Revenue (Percent of Total)	29.93%	31.14%	33.66%
B. Inpatient Discharges:	364	394	394
C. Inpatient Discharges By Responsibility:			
Medicare	102	111	111
Medicaid	137	149	149
Managed/Commercial	87	94	94
Self Pay & Other	37	40	40
Total	<u>364</u>	<u>394</u>	<u>394</u>
D. Inpatient Days	15,300	15,300	15,300
F. Hospital Statistical Data:			
Number of Beds (Adult & Pediatric)	79	71	71
Percent Occupancy	53.06%	59.04%	59.04%
G. Size of Physical Plant:			
Number of Gross Square Feet	326,325	326,325	326,325
Number of Net Assignable Feet	210,914	210,914	210,914

III. PERFORMANCE AND ACTIVITY MEASURES (continued)

H. Book Value of Equipment Inventory:

At June 30, 2008	\$8.7 million
At June 30, 2009	\$8.0 million
At June 30, 2010 Estimated	\$10.0 million

* FY 2012 State Revenue includes the requested increase of restoration to core and sustaining quality and service.

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Rehabilitation Center

Program is found in the following core budget(s): University of Missouri - Missouri Rehabilitation Center

1. What does this program do?

The Missouri Rehabilitation Center (MRC) is a 71-bed rehabilitation hospital recognized as a leading hospital for physical medicine and rehabilitation throughout the Midwest. Comprehensive services include both inpatient and outpatient programs and specialized treatment for traumatic brain injuries, strokes, spinal cord injuries, comprehensive physical rehabilitation, cardiac rehabilitation, and orthopaedic injuries. Almost 90 percent of MRC's patient charges are with self pay patients or patients with governmental payors (Medicare, Medicaid, Veterans Administration).

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

In 1996, state legislation transferred responsibility of the state-run hospital to the University of Missouri Health Care. The statutory purpose can be found in Sections 199.010-199.270, RSMo.

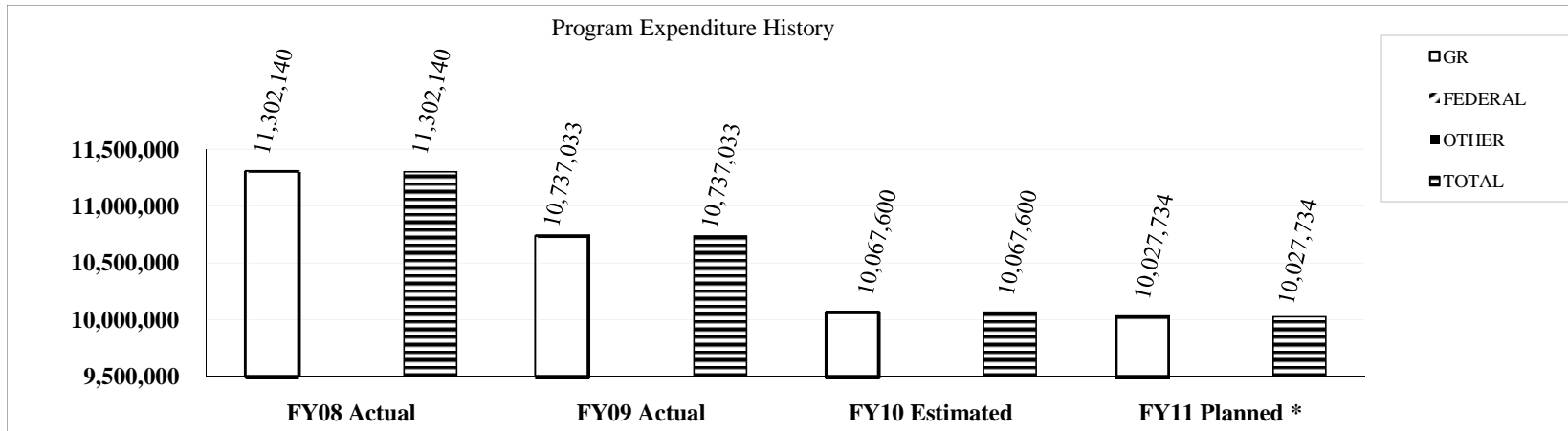
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



* Net of Governor's 3% Withholding

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Rehabilitation Center

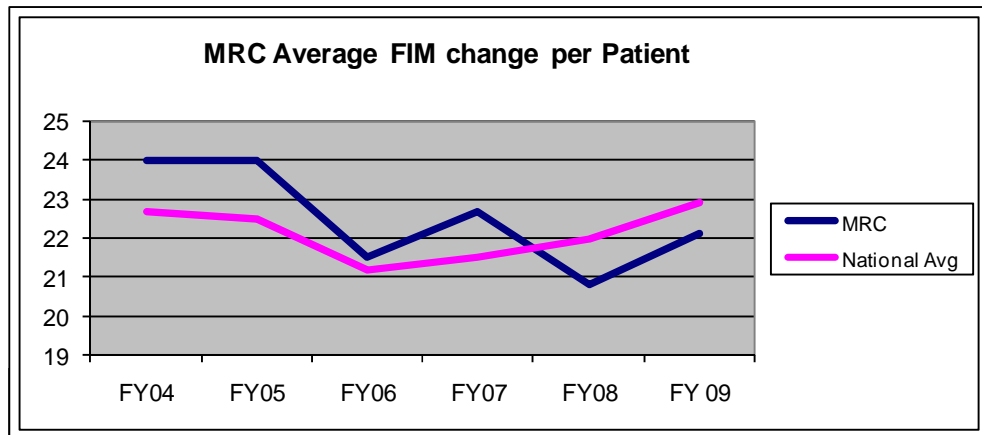
Program is found in the following core budget(s): University of Missouri - Missouri Rehabilitation Center

6. What are the sources of the "Other " funds?

All appropriated funds are from General Revenue. However, the Rehabilitation Center generates substantial revenue from patients and third party payors. See Form 1 for detail of nonstate revenues.

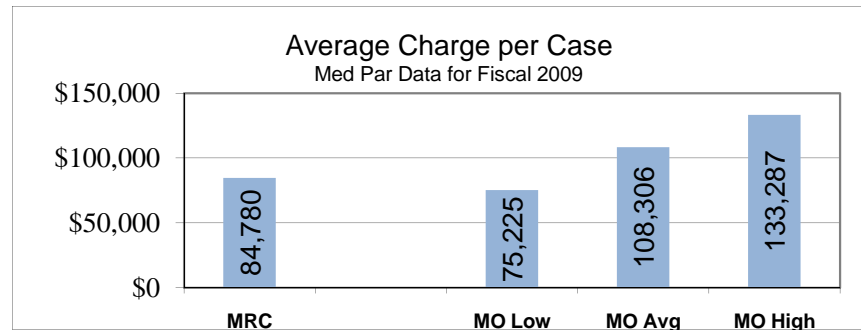
7a. Provide an effectiveness measure.

The clinical effectiveness of rehabilitation units like MRC may be best measured by using a Functional Individual Movements (FIM) score. The FIM score measures the patient's ability to perform activities of daily living. The accompanying graph depicts the average change in FIM score from admission to discharge, compared to the national average. In FY08 MRC is slightly below the National Average. MRC's onset to admission average was 54 days for FY08. The National Average was 23. Research has shown that speed of recovery slows as a patient moves farther from their onset date. Considering the degree of spontaneous recovery and recovery made at Rehab facilities prior to admission to MRC, it would be assumed that speed of recovery would be lower than average.



7b. Provide an efficiency measure.

MRC is a long-term acute care hospital, one of relatively few hospitals of this type in the state of Missouri. Based on fiscal year 2009's Med Par data (a database of Medicare claims), we can compare average charge per case with other similar hospitals.



PROGRAM DESCRIPTION

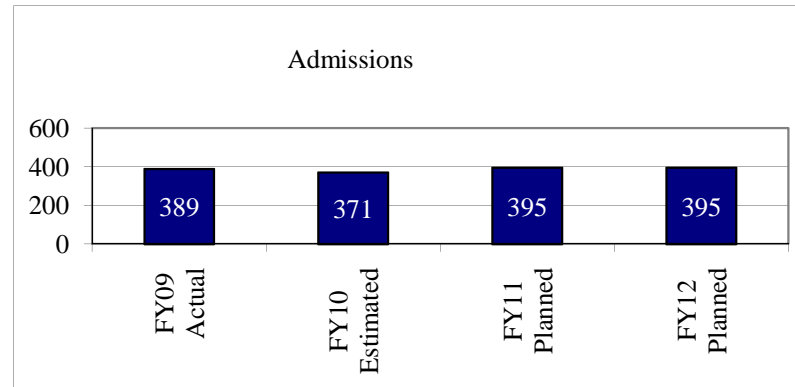
Department of Higher Education

Program Name: Missouri Rehabilitation Center

Program is found in the following core budget(s): University of Missouri - Missouri Rehabilitation Center

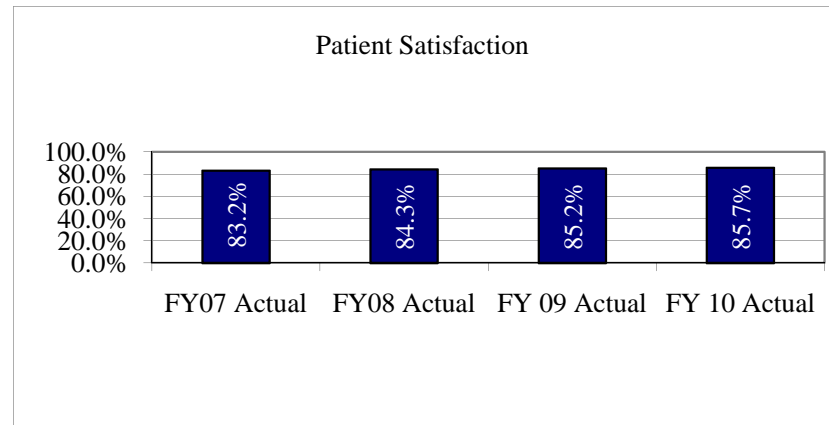
7c. Provide the number of clients/individuals served, if applicable.

The accompanying graph depicts the historical and projected Admissions for Missouri Rehabilitation Center.



7e. Provide a customer satisfaction measure, if available.

The overall patient satisfaction can be judged by using the overall mean score as reported by Press, Ganey Associates INC. The closer the score to 100, the closer the Patient is rating their satisfaction as "Very Good". These numbers are derived by an overall composite of all questions at Missouri Rehabilitation Center.



NEW DECISION ITEM REQUEST
MISSOURI REHABILITATION CENTER
FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Rehabilitation Center
Decision Item Name: Restoration of the Core and Increase for Sustaining Quality and Service: \$1,748,012
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to previous funding levels and provide an increase for sustaining quality and service.

The Missouri Rehabilitation Center (MRC) is a 71-bed long-term acute care hospital that provides an array of experts and programs for patients recovering from serious illness and injuries. MRC provides inpatient and outpatient services to Missourians, with special programs for traumatically brain-injured, and spinal cord-injured patients. Because many of these patients are Medicaid or indigent clients it is especially challenging financially; MRC experienced operating losses in 2006 and 2007 of \$1.1 and \$1.7 million respectively. In FY2008 and FY2009 MRC implemented additional cost saving measures and was able to maintain a positive operating margin but it was not enough to cover MRC capital expenditures. In FY2010, it is anticipated that MRC will continue to fall short of funding its operating costs and capital expenditures. Despite the decision to close MRC's Tuberculosis unit, with reductions in Federal Reimbursement Allowance (FRA) payments as well as core cuts in state appropriations, it is projected that MRC will have an operating loss in FY2011. MRC continues to experience increases in the cost of goods and services at a time when reimbursement for services declines due to serving a disproportionate share of Missouri's Medicaid and indigent clients. To continue at the current level of operations in 2012, MRC will require adjustments in state support to cover mandatory cost increases to sustain quality and service.

II. DESCRIPTION

The Missouri Rehabilitation Center continues to incur higher costs to deliver its services to the public. There are fixed cost increases associated with utilities, insurance, medical equipment, pharmaceuticals, and supplies and services, as well as increased costs associated with staff compensation. The personnel policies are the same for these programs as for the general operations of the university. With these higher costs and relatively flat non-state revenues, increased state appropriations is critical to decreasing the deficit. Lack of additional funding removes the ability of MRC to continue to provide the same level of services for the citizens of Missouri.

Since FY2000, MRC has invested more than \$28 million in equipment and facilities without receiving capital appropriations. MRC's reserves were exhausted in FY2008 and University of Missouri Health Care began subsidizing MRC. Without reserves, it is critical that MRC receives the requested restoration of the core and the increase for sustaining quality and service. In addition, significant capital repairs are needed at this facility.

The patient base for the MRC is 89 percent Self Pay, Medicare, Medicaid, or Veterans Association, which challenges MRC financially as it continues to experience cost increases for goods and services. Expected reductions in Federal Reimbursement Allowance (FRA) payments which supplements Medicaid and uncompensated care make state support necessary for operations to continue.

This request includes restoration of the \$1,313,821 core cut to the budget in FY2010 and FY2011. In addition, a \$434,191 increase for sustaining quality and service is requested.

III. COST EXPLANATION

Restoration of the Core funding cut FY2010 and FY2011	\$1,313,821
Increase for Sustaining Quality and Service (4.2 percent of State Appropriation)	<u>434,191</u>
Total State Appropriations	\$1,748,012

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI KIDNEY PROGRAM

	<u>FY2009 Actual</u>	<u>FY2010 Estimated</u>	<u>FY2011 Planned & FY2012 Core</u>	<u>Restoration of the Core</u>	<u>Increase for Sustaining Quality and Service</u>	<u>FY2012 Request</u>
EXPENDITURES:						
Program Operations	\$3,701,457	\$2,710,871	\$2,880,299	\$1,136,475	\$120,973	\$4,137,747
Total Expenditures	<u>\$3,701,457</u>	<u>\$2,710,871</u>	<u>\$2,880,299</u>	<u>\$1,136,475</u>	<u>\$120,973</u>	<u>\$4,137,747</u>
FTE Employees	10.5	10.1	9.0	1.5		10.5
SOURCES OF FUNDS:						
State Appropriations	\$3,701,457	\$2,710,871	\$2,880,299	\$1,136,475	\$120,973	\$4,137,747
Non-State Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Sources	<u><u>\$3,701,457</u></u>	<u><u>\$2,710,871</u></u>	<u><u>\$2,880,299</u></u>	<u><u>\$1,136,475</u></u>	<u><u>\$120,973</u></u>	<u><u>\$4,137,747</u></u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI KIDNEY PROGRAM

	<u>FY2009 Actual</u>		<u>FY2010 Estimated</u>		<u>FY2011 Planned & FY2012 Core</u>		<u>Restoration of the Core</u>		<u>Increase for Sustaining Quality and Service</u>	<u>FY2012 Request</u>	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:											
Teaching and Research											
Exec., Admin., Managerial	2.7	\$155,168	2.0	\$115,036	2.0	\$115,036		\$0	\$4,832	2.0	\$119,868
Professional	6.2	247,140	5.5	201,655	5.0	222,899	1	35,360	9,362	6.0	267,621
Office	1.6	43,444	2.6	75,140	2.0	57,054	0.5	20,966	2,396	2.5	80,416
Staff Benefits		98,387		93,533		107,647		11,241	4,521	0.0	123,409
Total Personal Services	10.5	\$544,139	10.1	\$485,364	9.0	\$502,636	1.5	\$67,567	\$21,111	10.5	\$591,314
EXPENSE AND EQUIPMENT:											
Fuel and Utilities											
Library Acquisitions											
Equipment											
All Other											
Administrative Operations		\$58,748		\$38,086		\$49,148		\$0	\$2,064		\$51,212
Statewide Renal Education (Operations)		94,185		88,593		26,963		35,000	1,132		63,095
Maintenance & Antirejection Drugs		513,015		520,439		606,252		10,000	25,463		641,715
Transportation Assistance*		371,178		176,500		270,368		190,763	11,355		472,486
Insurance Premium Assistance		671,344		498,429		661,932		276,145	27,801		965,878
Emergency Medications		6,973		3,157		0		5,000	0		5,000
Patient/Staff Education		63,619		13,776		0		0	0		0
Transplant/Donor Assistance		23,450		16,300		30,000		20,000	1,260		51,260
Nutritional Supplements Program		56,558		37,951		0		30,000	0		30,000
Medicaid Spenddown		1,021,807		694,741		650,000		250,000	27,300		927,300
Ticket To Work		22,915		27,957		30,000		0	1,260		31,260
Cost Containment Research & Demonstration		253,526		109,578		53,000		252,000	2,226		307,226
Total Expense and Equipment		\$3,157,318		\$2,225,507		\$2,377,663		\$1,068,908	\$99,862		\$3,546,433
Grand Total	10.5	\$3,701,457	10.1	\$2,710,871	9.0	\$2,880,299	1.5	\$1,136,475	\$120,973	10.5	\$4,137,747

* Net after Centers for Medicare and Medicaid Services matching funds

CORE BUDGET REQUEST ANALYSIS

FORM 4

MISSOURI KIDNEY (RENAL DISEASE) PROGRAM

I. MISSION STATEMENT

The mission of the Missouri Kidney Program (MoKP) is to assist eligible Missouri residents who have chronic kidney disease (CKD) or kidney transplant to meet their medical, educational and psychosocial needs. In order to accomplish the above mission, the Missouri Kidney Program is committed to the following goals:

- To help assure that no Missourian is denied treatment for chronic kidney disease (stage 5) because of financial or social status.
- To help assure that treatment is of high quality and provided at a reasonable cost.
- To encourage home dialysis and transplantation when medically feasible.
- To encourage donations of kidneys for transplantation.
- To encourage and support research, demonstration and prevention efforts designed to reduce the cost of care and/or delay the onset of chronic kidney disease.
- To maintain, in collaboration with other agencies, a data bank to aid in the planning and evaluation of CKD services.
- To foster the exchange of medical, technical and administrative information among CKD facilities.
- To encourage and support continuing education experiences for CKD facility staff.
- To encourage and support education experiences for CKD patients.
- To actively cooperate and collaborate with other organizations interested in the prevention and treatment of CKD.

II. PROGRAM DESCRIPTION:

A. Functions

The MoKP carries out four basic functions or programs to accomplish the mission and goals stated above: (1) provision of funds to dialysis and transplant facilities to assist patients with direct medical expenses after other funding sources (Medicare, private insurance, etc.) have been exhausted; (2) provision of funds to assist eligible patients with other expenses related to their care (transportation, take-home drugs, insurance premiums, etc.); (3) sponsorship of cost containment research and demonstration projects in an effort to enhance the cost effectiveness of dialysis treatment modalities and transplantation techniques; and (4) provision of patient and continuing professional education programs.

B. Eligibility

To receive MoKP assistance, CKD patients must be United States citizens residing permanently in Missouri, or aliens lawfully admitted for permanent residence in the state. Patients must meet an income/asset eligibility requirement for MoKP benefits, however any Missourian is eligible to attend our education programs.

C. Administration

The MoKP is administratively located within University of Missouri Health Care (MU Health Care), and is managed by a director who reports directly to the Dean of the School of Medicine. A statewide advisory council appointed by the Dean of the School of Medicine provides general policy oversight. Although a unique function of the University and MU Health Care, the mission of the MoKP is clearly compatible with the overall mission of the University in terms of education, service and research.

III. PROGRAM JUSTIFICATION

A. High Cost of Kidney Replacement Therapy

As stated above, the mission of the MoKP is to assist Missouri residents suffering the tragedy of total kidney failure to meet their medical, psychosocial and educational needs. Chronic Kidney Disease disproportionately strikes minority and low-income individuals and families. The expense of treatment is staggering: \$50,000 to \$70,000 annually for kidney dialysis; a kidney transplant operation costs from \$110,000 to \$160,000. Anti-rejection drugs cost \$17,000 a year. Although most CKD (stage 5) patients qualify for automatic Medicare benefits, coverage does not apply during the first 90 days following kidney failure and provides only an 80 percent benefit thereafter. State kidney programs such as the MoKP are necessary to fill this void in coverage, as well as to provide assistance with transportation, prescription drugs and deductibles not covered by Medicare.

B. Increased Number of Patients Needing Assistance

Missouri is somewhat unique with regard to chronic kidney disease. Missourians are experiencing kidney failure at a higher rate than the national average. This may be attributed to a number of factors including the general aging of the population and the tendency of CKD to be slanted toward the last trimester of life. The highest rate of increase is in the population over 60 years old, with a disproportionate tendency toward non-Caucasians and persons with diabetes, obesity or hypertension. It is unlikely this trend will change in the foreseeable future and the number of Missourians experiencing CKD will increase. Of the 6,663 CKD patients in Missouri, MoKP is able to provide assistance to only approximately 26 percent of CKD patients, a 7% decrease due to recent budget reductions. Residents of nearly every Missouri county and every legislative district need and receive MoKP assistance.

C. Summary

The MoKP is a unique resource in Missouri. The funding needs of the MoKP should be evaluated on their own merits, separate from the funding needs of the University of Missouri – Columbia. The continuing and substantial increase in the incidence of chronic kidney failure, the implications of which are delineated above and below, justify the request for increased state funding.

IV. PERFORMANCE AND ACTIVITY MEASURES

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
A. CERTIFIED and PARTICIPATING RENAL FACILITIES	150	144	150
B. MISSOURI ESRD PATIENTS - Calendar Year data	<u>CY2008</u>	<u>CY2009</u>	<u>CY2010</u>
1. Dialysis Census *	6,663	6,996	7,345
2. Estimated Transplant Census **	<u>1,200 (est)</u>	<u>1,200 (est)</u>	<u>1,200 (est)</u>
Total Census	<u>7,863</u>	<u>8,196</u>	<u>8,545</u>

* Provided from Network 12 data CY2008

** The data is estimated based on actual transplants provided to us from the various transplant centers in MO for CY2002. During FY2003 it became clear that HIPAA regulations barred us from collecting patient sensitive personal information on patients other than ones MoKP provides services for. MoKP served 446 transplant patients as of June 30, 2010. This is an unfortunate example of government regulation preventing us from knowing and understanding our patient population.

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
ESRD PATIENTS RECEIVING ASSISTANCE	2,338	2,455	2,577

C. PATIENT GROWTH AND UNIT COST PROJECTIONS

The average dollar value of assistance (unit cost) provided to MoKP eligible patients during FY2010 was \$845. There continues to be consistent and significant growth in CKD patients. Erosion of benefits over the past three years have decreased our ability to fund direct medical expenses to dialysis and transplant facilities, which is a core goal of MoKP. In FY2010, MoKP had to completely terminate direct patient assistance such as Nutritional Supplements, Medication Co-Pay Assistance and Patient/Staff Education. We also reduced Private and Medicare Premium assistance, Transplant Assistance grants, the MO HealthNet Spenddown program, and the Eligibility/Asset guidelines. In addition, we re-directed all continuous MO HealthNet patients to the state Non-Emergency Medical Transportation program. In FY2009, cost containment research was terminated. Fortunately through collaborated efforts of the MoKP staff, we increasingly minimize treatment and other expenses with Medicare, MO HealthNet, and commercial insurance. Efforts with the centralized drug program, which provides maintenance and anti-rejection drugs, have been especially successful with the addition of Medicare Part D, MO Rx, and continued success with the contract pharmacy.

Following is an analysis of actual and projected dollar value of assistance (unit cost) for FY2010 and for FY2012 respectively, assuming 5% annual patient growth from FY2010 and FY2012 if restoration of the core is restored.

<u>Type of Assistance</u>	<u>FY2010 ACTUAL</u>		<u>FY2012 PROJECTED</u>	
	<u>Number of Patients</u>	<u>Unit Cost \$</u>	<u>Number of Patients</u>	<u>Unit Cost \$</u>
Maintenance & Anti-rejection Drugs	1,722	302	1,808	335
Dialysis Treatment	0	0	0	0
Transportation	795	222	835	323
Insurance Premiums	624	799	655	1,011
Emergency Medications	8	395	0	0
Transplant Donor Assistance	21	776	22	1,363
Nutritional Supplements	205	185	0	0
Medicaid Spenddown	729	953	765	850
Ticket to Work	45	621	47	638
Unduplicated Patients Served/Average Unit Cost	2,338	845	2,577	873

Missouri Kidney Program FY2010 Patient Assistance (by county)



PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Kidney Program

Program is found in the following core budget(s): University of Missouri - Missouri Kidney Program

1. What does this program do?

The MoKP carries out four basic functions: (1) provision of funds to dialysis and transplant facilities to assist patients with direct medical expenses after other funding sources (Medicare, Medicaid, private insurance, etc.) have been exhausted; (2) provision of funds to assist eligible patients with other expenses related to their care (transportation, take-home drugs, insurance premiums, etc.); (3) sponsorship of cost containment research and demonstration projects in an effort to enhance the cost effectiveness of dialysis treatment modalities and transplantation techniques; and (4) provision of patient and continuing professional education programs.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 172.875, RSMo

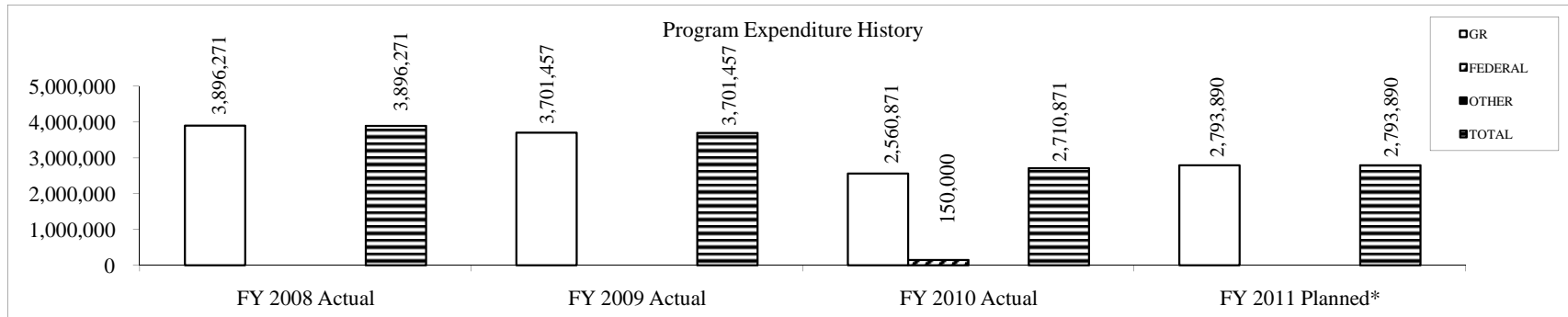
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



* Net of 3% Governor's withholding

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Kidney Program

Program is found in the following core budget(s): University of Missouri - Missouri Kidney Program

6. What are the sources of the "Other " funds?

None

7a. Provide an effectiveness measure.

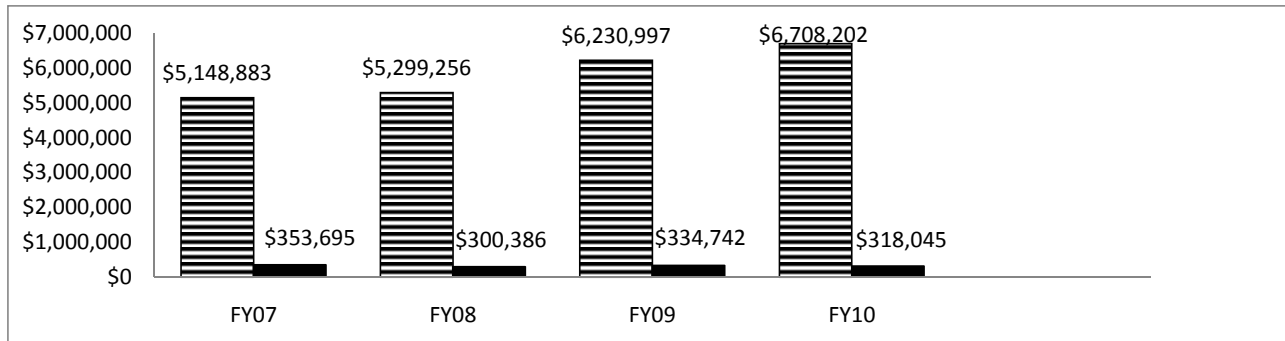
MoKP effectiveness is measured by the number of dollars of the appropriation going to reimburse patient care, education and research activities. MoKP expends about 81% of its appropriation for patient care related activities.

FY 08		FY 09		FY 10 Estimated		FY 11 Projected		FY 12 Projected		FY 13 Projected	
<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>
\$3,279,616	\$3,896,271	\$3,004,385	\$3,701,457	\$2,098,828	\$2,710,871	\$2,301,552	\$2,793,890	\$3,251,028	\$4,013,615	\$3,348,559	\$4,134,023

7b. Provide an efficiency measure.

MoKP's single largest expense is the Centralized Drug Program which supplies needed pharmaceuticals to patients statewide via mail-order. Kilgore Medical Pharmacy was awarded the contract to provide this service, including the billing of 3rd party payors. MoKP assumes the role of payor of last resort for patients whose treatment is not covered by Medicare/Medicaid or private health insurance. The data below summarizes actual expenditures for the past four years.

FY 07		FY 08		FY 09		FY 10	
<u>Drug Cost</u>	<u>MoKP Paid</u>	<u>Drug Cost</u>	<u>MoKP Paid</u>	<u>Drug Cost</u>	<u>MoKP Paid</u>	<u>Drug Cost</u>	<u>MoKP Paid</u>
\$5,148,883	\$353,695	\$5,299,256	\$300,386	\$6,230,997	\$334,742	\$6,708,202	\$318,045



PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Kidney Program

Program is found in the following core budget(s): University of Missouri - Missouri Kidney Program

7c. Provide the number of clients/individuals served, if applicable.

The table below lists the number of clients served and the projected need in one or more of our programmatic entities. We have maximized our patient service delivery capabilities by micromanaging our current appropriation level. The need far exceeds the level of appropriation that has been available. The projections listed for FY11, FY12, and FY13 are based on need.

<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11 Est</u>	<u>FY12 Proj</u>	<u>FY13 Proj</u>
2,673	2,539	2,563	2,491	2,338	2,455	2,577	2,705

7d. Provide a customer satisfaction measure, if available.

MoKP has conducted a Patient Satisfaction Analysis program for eight years. Each month 30 patients, who are being renewed for benefits are randomly selected to receive the questionnaire. The questionnaire is mailed to the patient along with a stamped, self addressed envelope to a P.O. Box here in Columbia rented by MoKP under the name Customer Satisfaction Research Branch. The patient submits responses anonymously without signing the response form. The program continues to receive favorable customer satisfaction rating. We have chosen not to attempt to project patient responses for the current or outlying years because we have no accurate predictive model for patient responses to questionnaires.

	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>
Questionnaires Received	47	100	96	89	94

NEW DECISION ITEM REQUEST

MISSOURI KIDNEY PROGRAM FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Kidney Program
Decision Item Name: Restoration of the Core and Increase for Sustaining Quality and Service: \$1,257,448
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state general revenue funds to restore the core budget to appropriate funding levels. It includes restoration of the \$1,136,475 core cut to the FY2009 and FY2010 budget and an increase of \$120,973 for sustaining quality and service.

II. DESCRIPTION

Life-threatening renal (kidney) disease impacts citizens throughout the State of Missouri, and The Missouri Kidney Program (MoKP) eases this chronic disease burden by touching almost every county in the State of Missouri. The MoKP's mission is to assist eligible Missouri residents who have chronic renal insufficiency or renal transplant to meet their medical, educational, and psychosocial needs.

There are 6,663 End-Stage Renal Disease (ESRD) patients throughout Missouri. Unfortunately, due to previous year budget cuts MoKP can barely assist 26% of this population, which is a reduction of 326 patients. With the growing trend in Missouri of diabetes, obesity, hypertension, and the elderly population, renal disease is increasing. In calendar year 2008, there were 2,029 patients in Missouri newly diagnosed with Chronic ESRD. Not only is the patient population increasing dramatically, the cost of kidney treatment and related expenses continue to rise. Further MoKP budget cuts will reduce its ability to assist this growing and chronically ill population.

It is imperative to restore the MoKP budget back to the level of our FY2009 core appropriation so MoKP can fulfill its mission of providing education, research, and direct patient assistance to chronic ESRD patients. With this 28% reduction, MoKP has had to completely terminate direct patient assistance such as Nutritional Supplements, Medication Co-Pay Assistance and Patient/Staff Education. We have also reduced the Private and Medicare Premium assistance, Transplant Assistance grants, the MO HealthNet Spenddown program, and the Eligibility Income/Asset guidelines. In addition, we re-directed all continuous MO HealthNet patients to the states Non- Emergency Medical Transportation program, shifting an additional financial burden to the state.

MoKP has completely terminated all cost containment research grants, which has enjoyed a 20+ year tradition of strategizing potential cost reductions in the renal field. We have also had to discontinue our outreach screening collaboration and community education with the National Kidney Foundation.

In addition, the 28% reduction of funding reduces the program's educational efforts which are geared toward prevention and pre-dialysis patients. These preventive educational strategies focused on informing Missourians on ways to avoid or delay dialysis, or direct them to pre-emptive transplantation.

Without prevention education, the number of ESRD Missourians increases, which puts an additional burden on the individual and family, healthcare community, and state/Federal resources (MO HealthNet program, Medicare and Social Security Disability). On an individual level, MoKP's mission is to promote educated and healthy kidney patients, who can remain employed, plus enjoy an active and productive quality of life. Our recent budget reductions, limit the number of Missourians that we can support. We are now operating at the mid-1980's appropriation levels.

III. COST EXPLANATION

Restoration of Core funding	\$1,136,475
Increase for Sustaining Quality and Service (4.2 percent of State Appropriation)	<u>120,973</u>
Total State Appropriations	\$1,257,448

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI RESEARCH AND EDUCATION NETWORK (MORENET)

	<u>FY2009 Actual</u>	<u>FY2010 Estimated</u>	<u>FY2011 Planned & FY2012 Core</u>	<u>FY2012 Request</u>
EXPENDITURES:				
Program Operations				
Shared Network, Research, Video	\$12,439,860	\$9,363,857	\$9,363,857	\$9,363,857
Higher Education Connections	798,290	582,153	582,153	582,153
Public Schools TNP Connections	<u>6,640,594</u>	<u>7,600,239</u>	<u>7,600,239</u>	<u>7,600,239</u>
Total Expenditures	\$19,878,744	\$17,546,249	\$17,546,249	\$17,546,249
FTE Employees	53.9	48.6	48.6	48.6
SOURCES OF FUNDS:				
State Appropriations - Recurring	\$11,753,375	\$6,441,078	\$6,823,717 *	\$6,823,717
State Appropriations - Non-Recurring				\$0
Other	8,125,369	11,105,171	10,722,532	\$10,722,532
Total Sources	<u><u>\$19,878,744</u></u>	<u><u>\$17,546,249</u></u>	<u><u>\$17,546,249</u></u>	<u><u>\$17,546,249</u></u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI RESEARCH AND EDUCATION NETWORK (MORENET)

	<u>FY2009 Actual</u>		<u>FY2010 Estimated</u>		<u>FY2011 Planned & FY2012 Core</u>		<u>FY2012 Request</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
PERSONAL SERVICES:								
Teaching & Research								
Exec., Admin., Managerial								
Professional	53.9	\$3,570,689	48.6	\$2,588,969	48.6	\$2,588,969	48.6	\$2,588,969
Technical								
Office								
Other								
Staff Benefits		1,004,175		725,612		786,270		786,270
Total Personal Services	<u>53.9</u>	<u>\$4,574,864</u>	<u>48.6</u>	<u>\$3,314,581</u>	<u>48.6</u>	<u>\$3,375,239</u>	<u>48.6</u>	<u>\$3,375,239</u>
EXPENSE AND EQUIPMENT:								
Fuel and Utilities								
Library Acquisitions								
Equipment								
All Other		\$15,303,880		\$14,231,668		\$14,171,010		\$14,171,010
Total Expense & Equipment		<u>\$15,303,880</u>		<u>\$14,231,668</u>		<u>\$14,171,010</u>		<u>\$14,171,010</u>
Grand Total	<u>53.9</u>	<u>\$19,878,744</u>	<u>48.6</u>	<u>\$17,546,249</u>	<u>48.6</u>	<u>\$17,546,249</u>	<u>48.6</u>	<u>\$17,546,249</u>

CORE BUDGET REQUEST ANALYSIS

FORM 4

MISSOURI RESEARCH AND EDUCATION NETWORK (MORENET)

I. MISSION STATEMENT

MOREnet's Vision

We will lead Missouri and the nation in the innovative application of technology for the benefit of the public.

MOREnet's Core Purpose

MOREnet works with its members to set and support Missouri's information technology goals and directions. We explore and deliver new ways to enhance learning opportunities to create a better quality of life for all Missourians.

II. PROGRAM DESCRIPTION

The Shared Network

The Shared Network enables the delivery of important public services throughout the state. With this network, members of the education community interact with each other via data and video services, public sector business applications are built and conducted on it, and Missouri citizens interact with their state government through it. Because the intra-state network's design connects several major population centers in the state, MOREnet can provide increased network security, reliability and quality of service, qualities essential for electronic collaboration by Missourians, including video and distance learning, MOBIUS, the Missouri Telehealth Network, and online resources are funded through House Bill 12.

Member Connections

MOREnet manages over 1,000 member connections statewide. Member connections link each MOREnet member to the Shared Network. These connections are the essential paths needed to get data to the Shared Network and connect students, parents, teachers and citizens to the rest of the state and the world. House Bill 3 partially funds public higher education and K-12 school district member connections, and the single high-speed connection to the Shared Network used by the legislature and all state agencies. Public library member connections are funded by House Bill 12.

Shared Network Capacity and Procurement

MOREnet aggressively seeks new bids for Shared Network circuits and pursues other cost savings options with Internet service providers on a recurring basis. The demand for Internet access and Shared Network services continues to grow at a rapid pace. Although there are fewer new sites being added to the network, additional workstations and greater use of electronic resources and communications by students, faculty and staff continue to push bandwidth demand higher. In addition, the citizens of Missouri are continuing to interact with state government via electronic transactions and communications. MOREnet is continually seeking new ways to manage the growth in demand without adversely affecting education and government. MOREnet is aggressively pushing the telecommunications providers for reasonably priced bandwidth and services.

Why state support is critical to program success?

MOREnet has historically used the appropriation to "level the playing field" for its members, ensuring that students in rural areas get the same opportunities as those in major metropolitan areas to gain exposure to digital content and learning platforms. Cost for telecommunications can vary widely across Missouri's geography, and the telecommunications marketplace does not provide reasonable competitive solutions across the state. Our experience has shown costs can vary as much as 10 fold for identical services. Access to quality Internet is no longer optional for most MOREnet members as mission-critical communications and services shift to the Internet model. State support ensures that financial issues are not a factor in providing access to students.

III. PERFORMANCE AND ACTIVITY MEASURES

	<u>Actual FY2009</u>	<u>Actual FY2010</u>	<u>Projected FY 2011</u>	<u>Projected FY 2012</u>
Member Connections (Total MOREnet)	1,030	1,036	1,036	1,036
Total Access to Missouri Backbone from Member Connections (Gb)	9.171	11.331	13.598	16.317
Network Backbone Capacity Minimum Hub-to-Hub capacity (Gb)	10.000	10.000	10.000	10.000
Video Events	19,720	21,047	21,047	21,047

PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

Program is found in the following core budget(s): MOREnet

1. What does this program do?

Established in 1991, MOREnet is a collaborative effort of the University of Missouri System, the Department of Higher Education, the Department of Elementary and Secondary Education, the Secretary of State, and the Office of Administration. MOREnet provides Internet connectivity, access to the national advanced research network (Internet2), network consulting, security and technical support, videoconferencing services and training to Missouri's elementary, secondary, and higher education communities, public libraries, health care, state government and other affiliated non-profit organizations.

The MOREnet network (the Shared Network) is the foundation infrastructure that enables delivery of numerous public services throughout the state. Members of the education community interact with each other via data and video services, public sector business applications are built and conducted on it, and Missouri citizens interact with their state government through it. An important feature of the Internet connectivity provided by MOREnet is the high speed intra-state network consisting of six circuits connecting several major population centers in the state. This intra-state network provides a responsiveness, robustness, level of security, and reliability of service that is essential to the quality of service necessary to promote e-government and electronic collaboration for Missourians, including video and other distance learning, the shared catalog for state academic libraries, a network of clinics providing high quality specialty medical care in rural or other underserved communities, and the sharing of online databases of information, among other initiatives.

Member connections link each MOREnet member to the Shared Network and the Internet. MOREnet manages over 1,000 member connections statewide, with House Bill 3 partially funding public higher education and public K-12 school district connections. Public library connections are funded through House Bill 12. The House Bill 3 appropriation also supports video distance learning production services, which enables Missouri's colleges, universities, schools and libraries to make their educational and training programs readily accessible to citizens and students throughout the state. MOREnet coordinates event schedules and provides technical support during the weekdays, evenings and weekends.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

MOREnet operates as a separate unit within the University of Missouri System which is authorized by both the state Constitution (Article IX, Section 9) and state statute (Section 172 RSMo). The MOREnet Council, consisting of representatives from the Secretary of State, Department of Higher Education, Department of Elementary and Secondary Education, the University of Missouri, the Office of Administration, local schools, libraries, and higher education, was formed in 2003 to direct and oversee planning and budgeting for the Shared Network infrastructure.

3. Are there federal matching requirements? If yes, please explain.

MOREnet is able to leverage federal reimbursements through the Universal Service Fund for Schools and Libraries, also known as the E-rate program. This federal program provides discounts on telecommunication services, Internet access, and internal connections for all eligible K-12 schools and libraries.

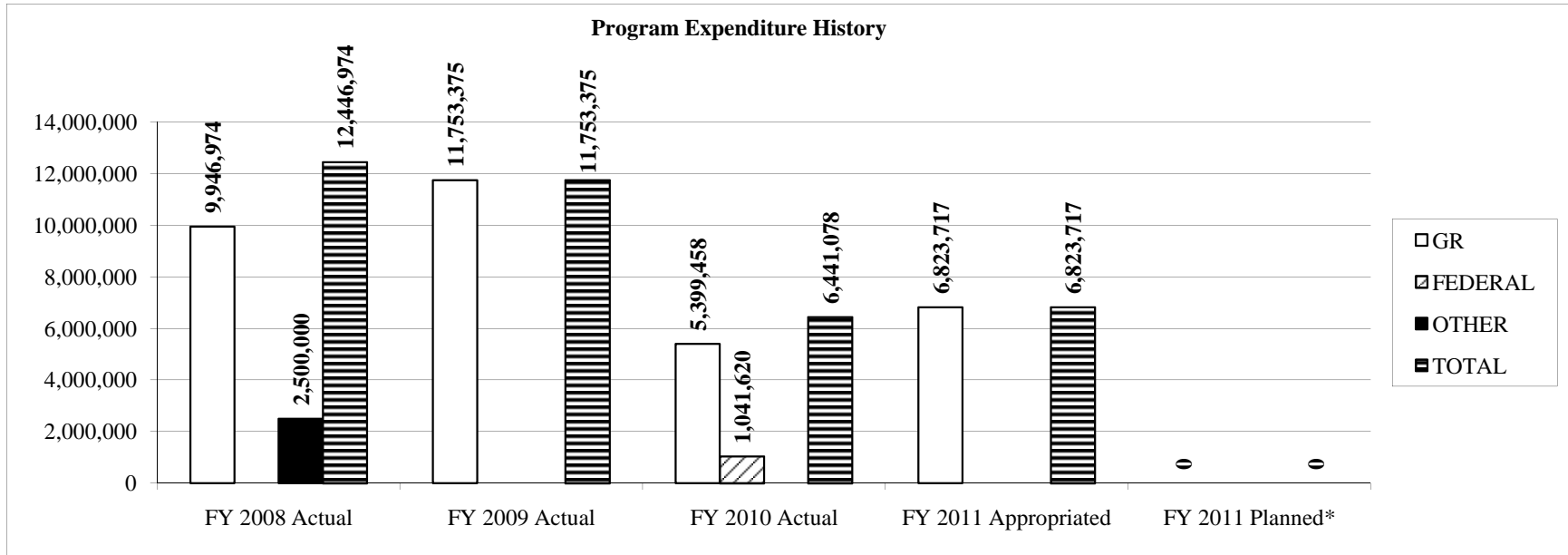
4. Is this a federally mandated program? If yes, please explain.

No

PROGRAM DESCRIPTION

Department of Higher Education
Missouri Research and Education Network (MOREnet)
Program is found in the following core budget(s): MOREnet

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



* Net of additional withholding and expenditure restrictions which are equal to entire amount appropriated.

6. What are the sources of the "Other " funds?

FY10: Federal Budget Stabilization Fund; FY08: Lottery Proceeds Fund

PROGRAM DESCRIPTION

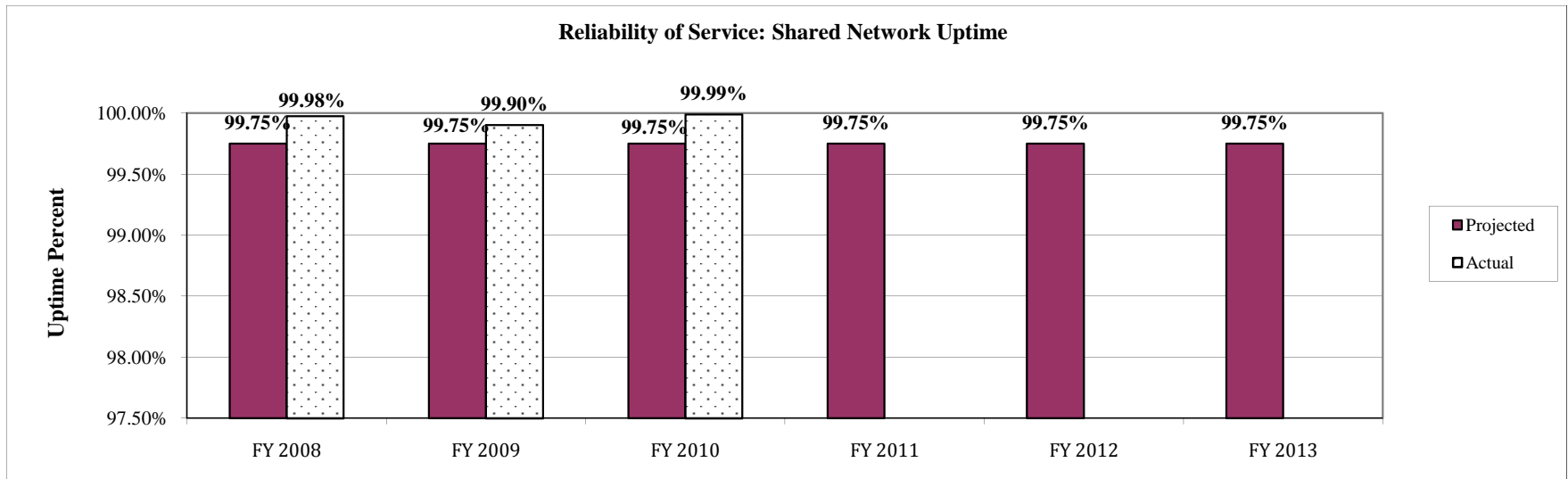
Department of Higher Education
Missouri Research and Education Network (MOREnet)
Program is found in the following core budget(s): MOREnet

7a. Provide an effectiveness measure.

Reliability of Service: Shared Network Uptime

This measurement provides uptime information on the Shared Network and it's availability for members use. The information provided is based on network availability on a 24 hours per day x 7 days per week x 365 days per year basis and includes down time due to planned and unplanned maintenance.

	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target	FY 2012 Target	FY 2013 Target
Member Network Uptime	99.75%	99.98%	99.75%	99.90%	99.75%	99.99%	99.75%	99.75%	99.75%



PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

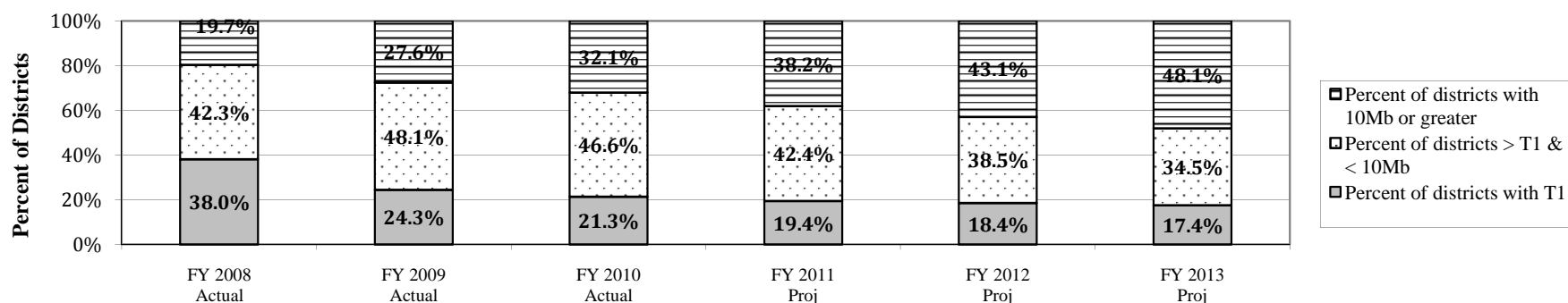
Program is found in the following core budget(s): MOREnet

Serving the Needs of Schools, Access for All and Support for Growth: Percent of Public K-12 Districts by Bandwidth Size

In the 2002 – 2006 Education Technology Goals and Objectives document, approved by the State Board of Education, DESE stated that “all school administrators, teachers, staff, and students will have equitable access to education technologies that promote student performance and academic achievement”. This goal is supported through MOREnet by the provision of a minimum of one T1 (1.536 Mb) connection to the Shared Network to each district, with incremental bandwidth increases up to 100 Mbps for districts that have over 70 percent utilization, as established in DESE's education technology strategic plan. The result is that all districts and students benefit. Students in small districts, that otherwise might be unable to afford this level and quality of service, have the same robust, reliable and secure access to educational resources available on the Internet, as students in districts with more resources. And districts with growth in demand for connectivity -- as they add additional computers to their networks, access web based resources to supplement library holdings and enhanced curriculum, interact with parents and students, and conduct business with the state -- receive the bandwidth they need.

	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target	FY 2012 Target	FY 2013 Target
Pct 10Mb+	20.1%	19.7%	24.9%	27.6%	33.0%	32.1%	38.2%	43.1%	48.1%
Pct > T1 & < 10Mb	38.2%	42.3%	45.4%	48.1%	48.7%	46.6%	42.4%	38.5%	34.5%
Pct with T1	41.7%	38.0%	29.7%	24.3%	18.3%	21.3%	19.4%	18.4%	17.4%

Support for Growth: Percent of Public K-12 Districts by Bandwidth Size



PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

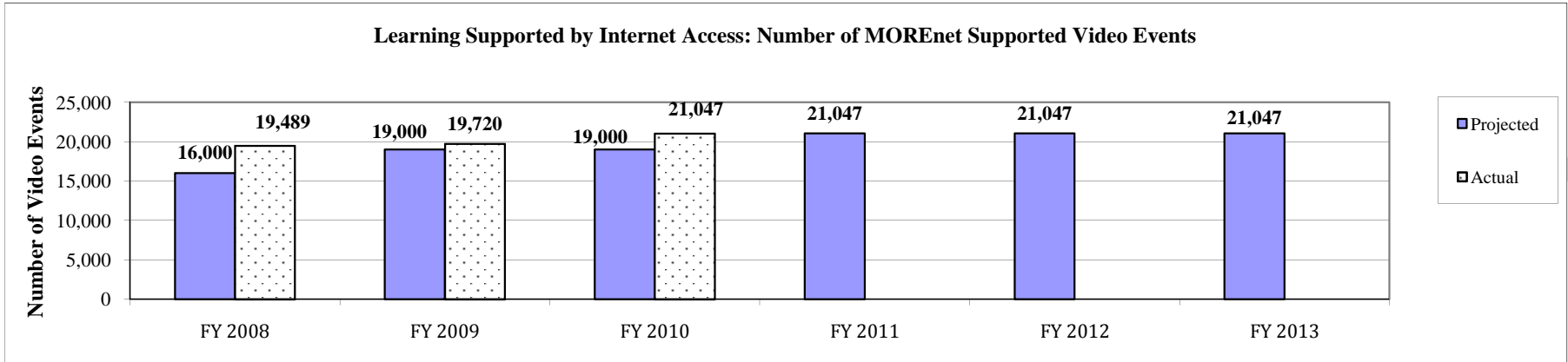
Program is found in the following core budget(s): MOREnet

Learning Supported by Internet Access: Number of MOREnet Supported Video Sites and Events

The reliability and security of the MOREnet network has enabled the growth in classes and courses supported by Internet access in Missouri, improving and increasing educational opportunities throughout the state. These courses include many types of delivery methods such as video classes enabled by MOREnet. Currently there is no single, consistent source of information on the number and type of courses enabled by the Shared Network.

	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target	FY 2012 Target	FY 2013 Target
Video Events	16,000	19,489	19,000	19,720	19,000	21,047	21,047	21,047	21,047
Video Sites*	53,553	68,112	68,000	72,076	68,000	78,095	78,095	78,095	78,095

*The average video event includes participation between several sites.



PROGRAM DESCRIPTION

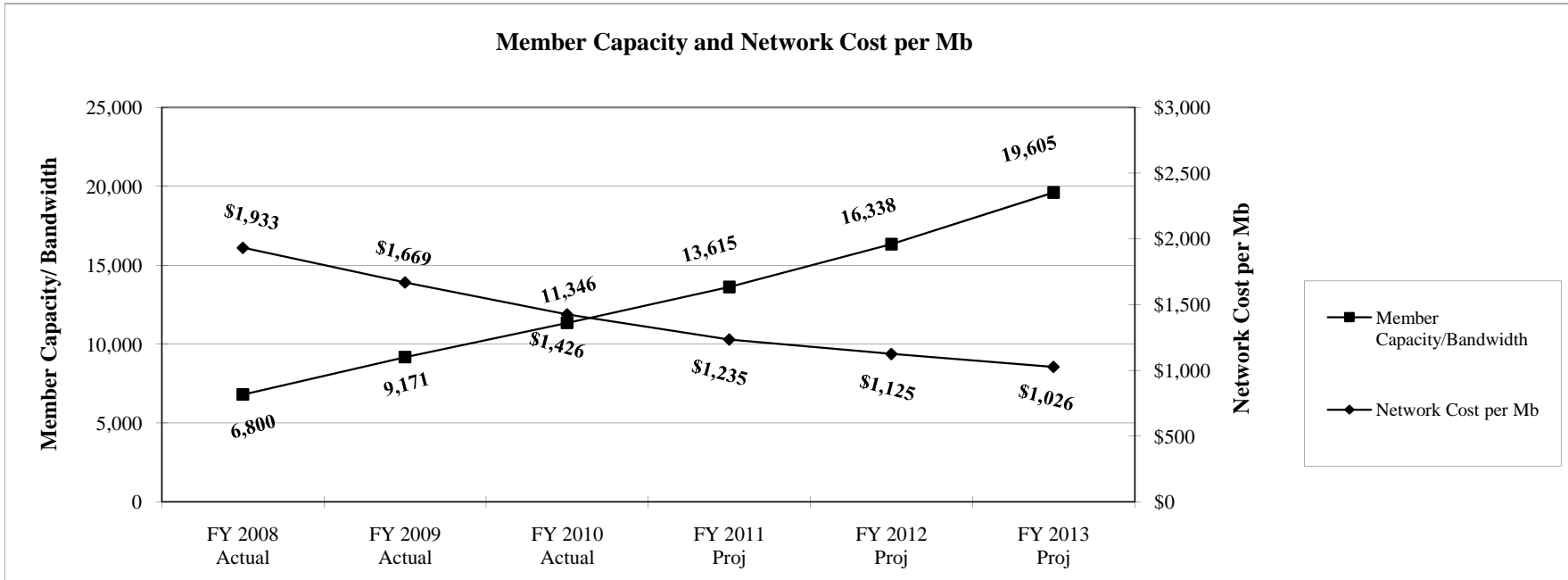
Department of Higher Education
Missouri Research and Education Network (MOREnet)
Program is found in the following core budget(s): MOREnet

7b. Provide an efficiency measure.

Demand Growth and Cost Efficiency: Capacity and Cost per Mb

The demand for Internet access continues to grow at a rapid pace. Although there are fewer new sites being added to the network, additional workstations and greater use of electronic resources and communications by students, faculty, and staff continues to push bandwidth demand higher. In addition, the citizens of Missouri are increasing their interaction with state government via electronic transactions and communications that run across MOREnet's network. MOREnet continually seeks new ways to manage the growth in demand without adversely affecting education and government, including aggressively seeking new bids for all telecommunications circuits.

	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target	FY 2012 Target	FY 2013 Target
Member Capacity in Mb	6,137	6,800	9,500	9,171	12,500	11,346	13,615	16,338	19,605
Network Cost per Mb	\$2,249	\$1,933	\$1,619	\$1,669	\$1,305	\$1,426	\$1,235	\$1,125	\$1,026



PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

Program is found in the following core budget(s): MOREnet

7c. Provide the number of clients/individuals served, if applicable.

MOREnet provides Internet connections to 100% of public higher education institutions, 91% of major four-year private not-for-profit higher education institutions, 98% of public elementary and secondary districts, and 89% of eligible public libraries in the state, as well as state government, the Missouri Telehealth Network, and the University of Missouri Extension offices. Citizens accessing the websites of any of these institutions do so via services provided by MOREnet.

Program	FY 2008		FY 2009		FY 2010		FY 2011	FY 2012	FY 2013
	Projected	Actual	Projected	Actual	Target	Actual	Target	Target	Target
Public K-12 Districts	516	518	519	518	518	519	518	518	518
Colleges and Universities	67	68	66	66	66	65	65	65	65
Library Districts ¹	132	133	134	133	134	135	134	134	134
Affiliate Members ²	28	38	38	20	20	20	19	19	19
Total Members	743	757	757	737	738	739	736	736	736

¹ Note: Multiple affiliated library branches are included in member counts as single library district and a single MOREnet member.

² Affiliate members include non-profit entities, proprietary higher education institutions (beginning in FY08/FY09), state agencies, and non-degree granting UM entities. Note: Adjustment to methodology for counting Affiliate members made for FY09 Actuals and beyond. Change mostly related to decision to count all state agencies as a single member.

Public	218,278	223,096	223,096	228,922	228,922	245,455	245,455	245,455	245,455
Private Not-For-Profit	108,448	111,425	111,425	112,520	112,520	114,234	114,234	114,234	114,234
Specialized Not-For Profits	not projected	12,865	not projected	13,229	13,229	15,606	15,606	15,606	15,606
Postsecondary Students ³	326,726	347,386	334,521	354,671	354,671	375,295	375,295	375,295	375,295
Public K-12 Students ⁴	869,440	870,050	870,260	865,615	865,615	889,487	889,487	889,487	889,487
Total Students	1,196,166	1,204,571	1,204,781	1,220,286	1,220,286	1,264,782	1,264,782	1,264,782	1,264,782

³ Student count is based on headcount enrollment (not full-time equivalent enrollment).

⁴ Student count does not include Missouri School for the Deaf or Missouri School for the Blind.

PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

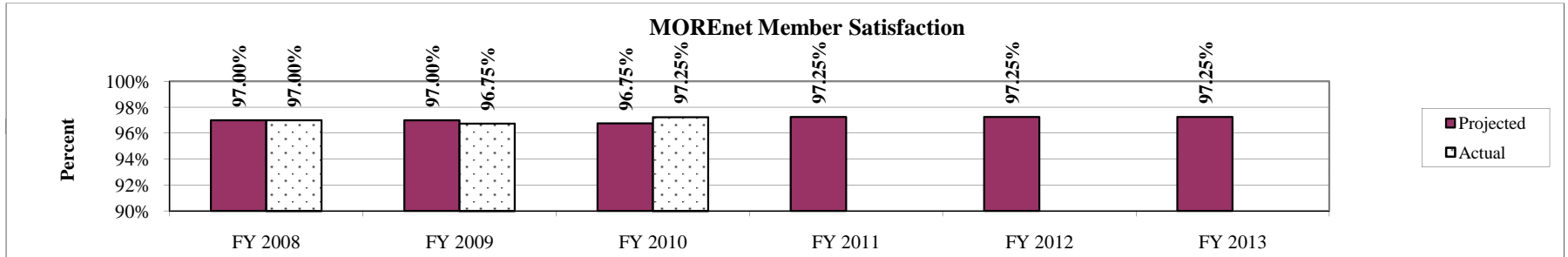
Program is found in the following core budget(s): MOREnet

7d. Provide a customer satisfaction measure, if available.

All members contacting MOREnet technical support for assistance receive an electronic satisfaction survey following the resolution of their issues. This survey asks the member to rate MOREnet performance in five areas: staff knowledge, effectiveness of solution, timeliness of resolution, staff communication skills, and courteous service. The data shown below is averaged across all members, types of assistance, and areas of performance.

In addition to this survey data, in FY2005 MOREnet completed a broader member satisfaction survey in which respondents rated MOREnet 9.1 on a scale of zero to 10. While satisfaction ratings were consistently high across areas of service, type of member, and size of organization, the areas in which members displayed the highest satisfaction were Internet connection reliability, technical support, security services, and general member service.

	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Target	FY 2012 Target	FY 2013 Target
Help Desk Satisfaction	97.00%	97.00%	97.00%	96.75%	96.75%	97.25%	97.25%	97.25%	97.25%



PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI TELEHEALTH NETWORK

	<u>FY2009 Actual</u>	<u>FY2010 Actual</u>	<u>FY2011 Planned & FY2012 Core</u>	<u>Restoration of the Core</u>	<u>Increase for Sustaining Quality & Service</u>	<u>FY2012 Request</u>
EXPENDITURES:						
Program Operations	\$824,670	\$531,904	\$594,321	\$263,319	\$24,961	\$882,601
	<u>\$824,670</u>	<u>\$531,904</u>	<u>\$594,321</u>	<u>\$263,319</u>	<u>\$24,961</u>	<u>\$882,601</u>
Total Expenditures						
FTE Employees	4.5	5.1	6.9	1.1		8.0
SOURCES OF FUNDS:						
State Appropriations						
Recurring - GR	\$387,030	\$94,264	\$156,681	\$263,319	\$24,961	\$444,961
Recurring - Healthy Families Trust	437,640	437,640	437,640			437,640
Non-State Revenues						
Other *		235,620	0			0
Total Sources	<u>\$824,670</u>	<u>\$767,524</u>	<u>\$594,321</u>	<u>\$263,319</u>	<u>\$24,961</u>	<u>\$882,601</u>

* Other was one time Federal Stabilization grant funds for equipment.

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI TELEHEALTH NETWORK

	FY2009 Actual		FY2010 Actual		FY2011 Planned & FY2012 Core		Restoration of the Core		Increase for Sustaining Quality & Service	FY2012 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:											
Teaching & Research	0.2	\$51,637	0.1	\$31,285	0.1	\$31,285	0.1	\$20,352	\$1,252	0.2	\$52,889
Exec., Admin., Managerial	0.5	37,907	0.9	77,060	1.1	84,889			\$3,396	1.1	88,285
Professional	1.2	43,868	0.9	35,910	1.4	54,719			\$2,189	1.4	56,908
Technical	0.6	20,800	0.9	41,814	1.7	80,272	1.0	40,000	\$3,211	2.7	123,483
Office	2.0	60,400	2.3	83,016	2.6	89,029			\$3,562	2.6	92,591
Other		30,000		29,229		29,229			\$1,169	0.0	30,398
Staff Benefits		48,344		60,654		93,655		16,615	\$3,747		114,017
Total Personal Services	4.5	\$292,956	5.1	\$358,967	6.9	\$463,077	1.1	\$76,967	\$18,526	8.0	\$558,570
EXPENSE AND EQUIPMENT:											
Equipment		\$156,420		\$256,944		\$0		\$160,000			\$160,000
All Other		375,294		151,612		131,244		26,352	6,435		164,031
Total Expense & Equipment		\$531,714		\$408,557		\$131,244		\$186,352	\$6,435		\$324,031
Grand Total	4.5	\$824,670	5.1	\$767,524	6.9	\$594,321	1.1	\$263,319	\$24,961	8.0	\$882,601

CORE BUDGET REQUEST ANALYSIS

FORM 4

MISSOURI TELEHEALTH NETWORK

I. MISSION STATEMENT

The Missouri Telehealth Network (MTN) exists to enhance access to care in underserved areas of Missouri, to provide educational opportunities for healthcare providers, to further homeland security efforts related to disaster preparedness and to be available in the event of a disaster and to provide research opportunities to clinicians wanting to study telehealth.

II. PROGRAM DESCRIPTION

MTN began in 1994 as one of the nation's first public-private partnerships in telehealth. A 9-site network was initially developed with federal support coming from the Health Resources and Services Administration's Office and private support coming from telecommunication companies, as well as each telehealth site. More recently, funding for the Missouri Telehealth Network has been provided from the University of Missouri Health Care and the State of Missouri. Also, the Missouri Telehealth Network site network charges have been funded through grants with the Missouri Department of Health and Senior Services and the Missouri Primary Care Association.

The project has four major objectives: 1) to provide high quality specialty care in rural or other underserved communities through the use of digital telecommunications technology; 2) to be available for biological attack preparedness and response; 3) to provide continuing medical education (CME) required for medical licensure to participating physicians, which is especially important for those who practice in underserved communities; and (4) to serve as a resource for healthcare institutions and clinicians wanting to study telehealth.

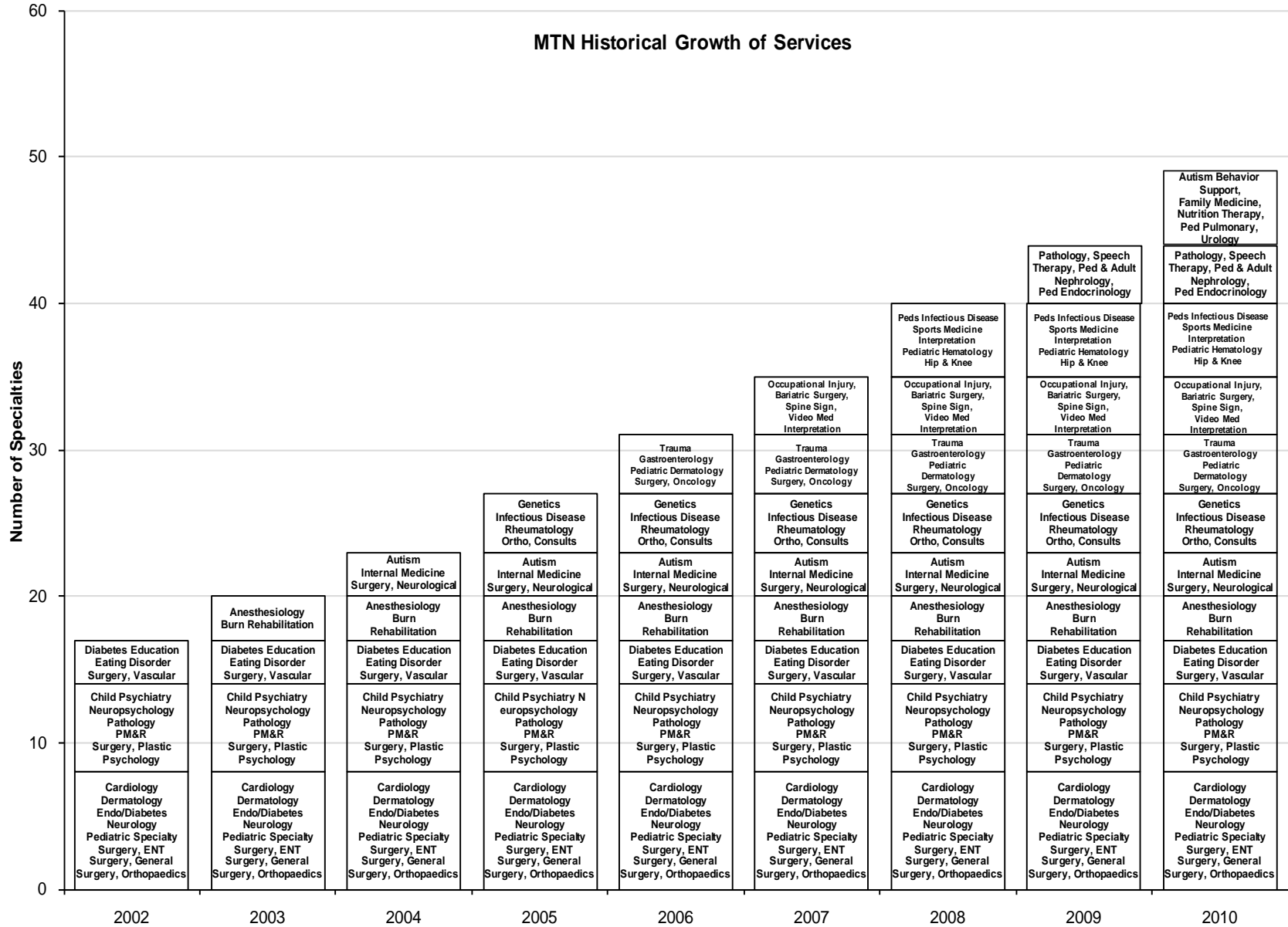
Telehealth sites may be equipped with interactive videoconferencing equipment, teleradiology equipment or both. Sites with interactive video are typically equipped with document cameras, video scope systems and electronic stethoscopes as needed. Even though the physicians and patients are geographically separated, these interactive technologies allow for a sufficient examination of the patient in real time. Not to mention that keeping services local helps the rural economy through greater utilization of pharmacies, laboratories, radiology departments, etc.

Continuing education is critically important to doctors in rural and underserved communities. First and foremost, they are required to have 25 hours of Category 1 CME credit per year in order to maintain their medical license. These requirements mean that doctors have to leave the communities, where they are needed on a daily basis, in order to attend programs that will grant them CME hours. If these doctors have access to continuing education through telehealth, they can receive additional training about issues or topics relative to their communities without leaving the community, or the patients in need. This is particularly important because often they are the only healthcare providers in the area. Over 500 continuing medical education credits were granted to health professionals on the network in FY2010.

The Missouri Telehealth Network currently has 225 sites statewide in 56 counties and the City of St. Louis. In 2010, over 60 medical professionals in 31 specialties conducted more than 6,700 clinical encounters via telehealth. Missouri Telehealth Network sites include hospitals, federally qualified health centers, rural health clinics, community mental health clinics, state facilities, an army hospital, two schools of medicine, a school of nursing, the Missouri Department of Health and Senior Services and many other types of health care facilities.

The following chart shows the historical growth in specialty services provided by the Missouri Telehealth Network prior to receiving recurring appropriations in FY2008 and the five new services that were added in FY2010; autism behavior support, family medicine, nutrition therapy, pediatric pulmonary, and urology. The growth in specialty services is important to meet the needs of rural and underserved Missouri citizens who do not have access to these services through conventional delivery systems.

MTN Historical Growth of Services



Below are some notable examples of how telehealth is improving the lives of Missourians who live in areas that are medically underserved:

- * A young couple from southern Missouri with a new baby with a ulcerated hemangioma was able to be seen quickly via telehealth, and was successfully treated over the course of several visits. The family resources would have been strained by the multiple long trips, some of which were scheduled at the last minute due to complications.
- * A Spanish speaking family that lives on the Arkansas border was trying to find a dermatologist for their child, but did not have anyone close to where they live and could not afford the travel. They were seen via telehealth and also had a trained medical interpreter provided via video to assist with the appointment.
- * A six-week-old baby in Northern Missouri with a serious heart problem (heart rate of 260 beats per minute) was co-managed via telehealth by a very good, but nervous rural physician until medical air transportation arrived.
- * A little girl in Southeast Missouri with a rare nail disease who had her nails examined in the same day by five pediatric dermatologists scattered throughout the United States.
- * An elderly woman in Northern Missouri who had surgery at the University of Missouri hospital but told her surgeon she could not return for follow-up due to economic reasons as well as having no reliable access to transportation. The telehealth network was then used to follow her post-surgical condition at her local hospital.
- * Many patients who were treated unsuccessfully over a period of months or years were successfully treated in one telehealth visit with a dermatologist. This speaks not only to the cost of the failed attempts, but the patient's quality of life during the unsuccessful treatment period because they had no access to a dermatologist.
- * Telehealth allowed access to health care for a frail elderly woman in a nursing home whose health severely limited her ability to be transported. She was able to see her doctor in a room down the hall instead of taking a four-hour ride to another facility and possibly returning to the nursing home with other problems brought on by the stress of the travel.

III. PERFORMANCE AND ACTIVITY MEASURES

The following are examples of cost saving measures for Missouri Telehealth Network (MTN):

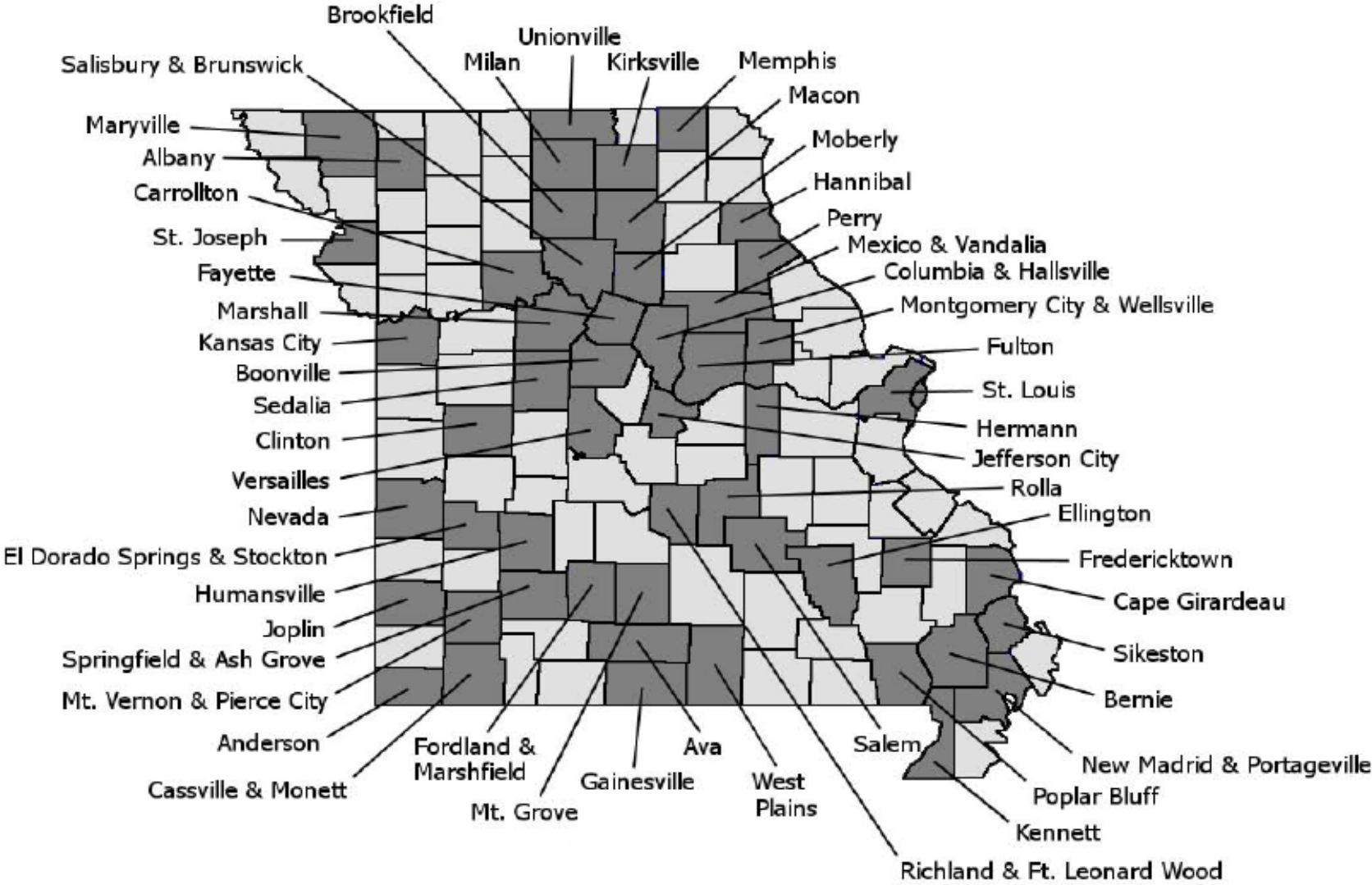
A study with Phelps Regional Homecare, the University of Missouri-Columbia School of Medicine and Health Management and Informatics showed a cost savings associated with providing services using telemedicine monitoring versus standard delivery of home health services of \$116,750 for six months, with 47 telehomecare clients. Cost reductions came from personnel, travel, and hospitalization, with the vast majority associated with hospitalization of clients. Telemedicine clients had fewer hospital admissions (18 vs. 23 admissions) and shorter length of stays (6.1 vs. 7.6 days). Also, telehealth clients required fewer re-hospitalizations during their enrollment with home health, 11 re-hospitalizations for telehealth clients and 16 re-hospitalizations for non-telehealth clients.

More than 1,300 hours of Educational usage was reported for FY2010 over MTN. This includes approximately 1000 hours of primarily undergraduate and graduate education for health professionals, with some additional faculty and staff education. Approximately 320 hours of continuing medical education (CME) programs were broadcast to health care professionals across the state, as detailed below. MTN broadcasts weekly hour long Grand Rounds from the University of Missouri, with CME credits available, for Child Health, Internal Medicine, Cardiovascular Medicine, Psychiatry and Orthopedic Surgery. Compliance & Quality and Oncology are broadcast monthly and Health Ethics quarterly. Additional special events are also broadcast, such as the Rabies Symposium, National Health Care Decisions Day, and Connect Live-2009 H1N1 Flu. The Outreach CME program, Department of Rural Health, schedules and broadcasts presentations for specific MTN sites based on identified needs. Although these presentations are set up for a specific site, any interested MTN site can participate. In FY2010, 12 presentations were scheduled, with 430 participants. The Center for Emergency Response and Terrorism at the Missouri Department of Health and Senior Services, in cooperation with the University of Missouri and the Missouri Telehealth Network, provides an annual series of bioterrorism educational offerings. Six trainings are provided yearly via the Missouri Telehealth Network to physicians, nursing personnel and Emergency Medical Technicians for continuing education credit. In FY2010, 6 presentations were held, with 226 participants.

Additional measures are provided in the program description.

The map on the following page shows the cities that currently have telehealth sites.

Missouri Telehealth Network Site Map



PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

Program is found in the following core budget(s): University of Missouri - Missouri Telehealth Network

1. What does this program do?

The Missouri Telehealth Network (MTN) exists:

1. to increase access to health care for underserved Missourians;
2. to provide specialty care to Missourians in state facilities, ie. Marshall Habilitation Center;
3. to further homeland security efforts related to bioterrorism, disaster, and pandemic preparedness and response;
4. to serve as a resource (consultant) for health care institutions and providers who are embarking upon their own telehealth program;
5. to provide a mechanism for clinical research; and
6. to provide continuing educational opportunities for health care providers.

The Missouri Telehealth Network currently has 225 sites statewide in 56 counties and the City of St. Louis. In 2010, over 60 medical professionals in 31 specialties conducted more than 6,700 clinical encounters via telehealth. Missouri Telehealth Network sites include hospitals, federally qualified health centers, rural health clinics, community mental health clinics, state facilities, an army hospital, two schools of medicine, a school of nursing, the Missouri Department of Health and Senior Services and many other types of health care facilities.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

MTN is a component of the University of Missouri Healthcare and falls under these statutes - Section 172.810 - 172.830, RSMo.

3. Are there federal matching requirements? If yes, please explain.

No federal matching requirements.

4. Is this a federally mandated program? If yes, please explain.

This is not a federally mandated program.

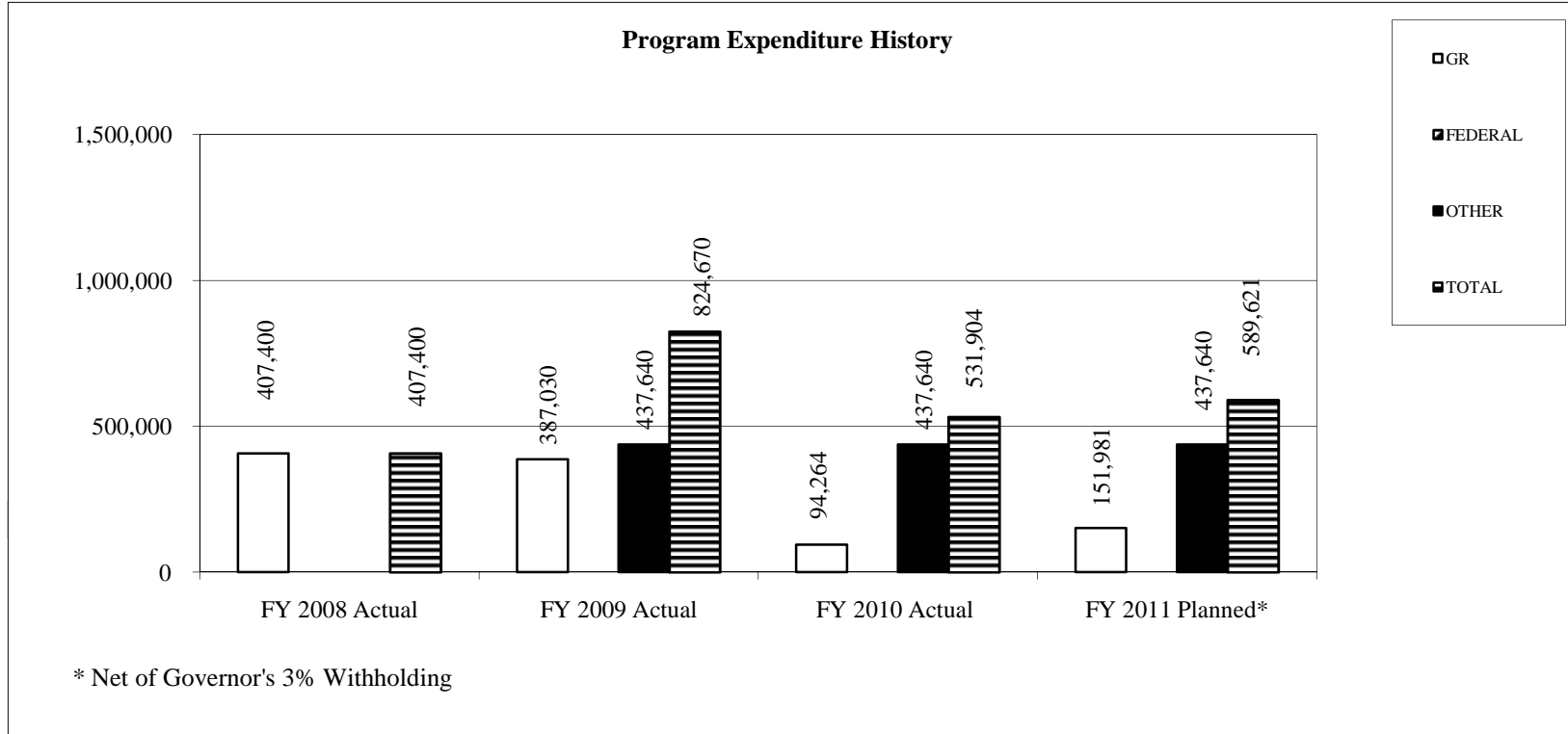
PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

Program is found in the following core budget(s): University of Missouri - Missouri Telehealth Network

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



6. What are the sources of the "Other " funds?

Other appropriated funds are from Healthy Families Trust Fund. In addition, other non-state funds to support the Telehealth mission are provided by University of Missouri Health Care, and federal, state, and other agency grants.

PROGRAM DESCRIPTION

Department of Higher Education
Program Name: Division of Four-year Colleges and Universities
Program is found in the following core budget(s): University of Missouri - Missouri Telehealth Network

7a. Provide an effectiveness measure.
 Data from payor sources was collected to reveal that utilization of telehealth saved Missourians significant travel time and dollars. Between July 2009 and June 2010, 6,900 round trips from rural areas of Missouri to specialists' clinics were avoided resulting in saved fuel costs of over \$697,512. The average savings per trip was \$99. (These calculations use the average of the two federal mileage reimbursement rates - 51¢ per mile & 47¢ per mile.) Over 1,409,000 miles of travel were avoided because of the availability of telehealth to these rural communities.

	MO HealthNet Patients	All Patients
Number of Trips Avoided	1,104	6,900
Number of Miles Avoided	245,608	1,409,116
Total Dollars Saved	\$121,576	\$697,512

According to the Missouri Department of Social Services, Medicaid paid providers approximately \$223,000 for provider services delivered via telehealth. Without telehealth, the costs to deliver these services would be nearly doubled.

PROGRAM DESCRIPTION

Department of Higher Education

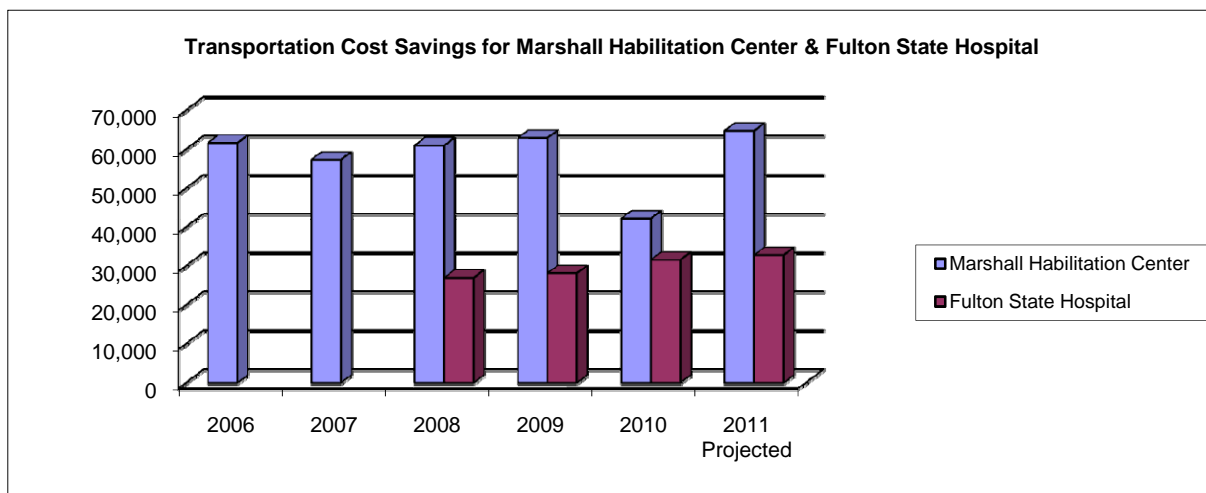
Program Name: Division of Four-year Colleges and Universities

Program is found in the following core budget(s): University of Missouri - Missouri Telehealth Network

7b. Provide an efficiency measure.

Telehealth reduces the need to travel for patients in state facilities.

When telehealth is used, rural labs, radiology departments and pharmacies benefit because the specialists at the University utilize those services at the patient's location. Patient and family members also benefit through reduced travel costs and time away from work or school. Such efficiencies keep monies in the local (rural) area. One example is the reduced staff and transportation costs at the Marshall Habilitation Center (MHC) in Marshall, Missouri. It is estimated that each transport to MU from MHC costs the state funded MHC more than \$500 per patient. Since equipment was placed at MHC in 2004, 786 trips have been avoided, resulting in an annual savings of approximately \$60,000 to Missouri taxpayers. Savings are significant, but equally important is the improved quality of care as a result of the direct contact between the physician and the patient's care providers at the time of the visit. Similar potential for savings exists at other state funded sites. Fulton State Hospital now uses telehealth to avoid transporting patients and is saving over \$30,000 annually.



PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

Program is found in the following core budget(s): University of Missouri - Missouri Telehealth Network

7c. Provide the number of clients/individuals served, if applicable.

Number of telehealth encounters provided to patients

<u>Year</u>	<u>Number</u>
2007 Actual	2,892
2008 Actual	3,660
2009 Actual	4,104
2010 Actual	6,703
2011 Projected	7,000

Number of Continuing Medical Education credits awarded to health care

<u>Year</u>	<u>Number</u>
2007 Actual	175
2008 Actual	286
2009 Actual	332
2010 Actual	500
2011 Projected	830

Number of teleradiology interpretations provided to patients

<u>Year</u>	<u>Number</u>
2007 Actual	13,129
2008 Actual	13,130
2009 Actual	8,630
2010 Actual	12,089
2011 Projected	13,000

PROGRAM DESCRIPTION

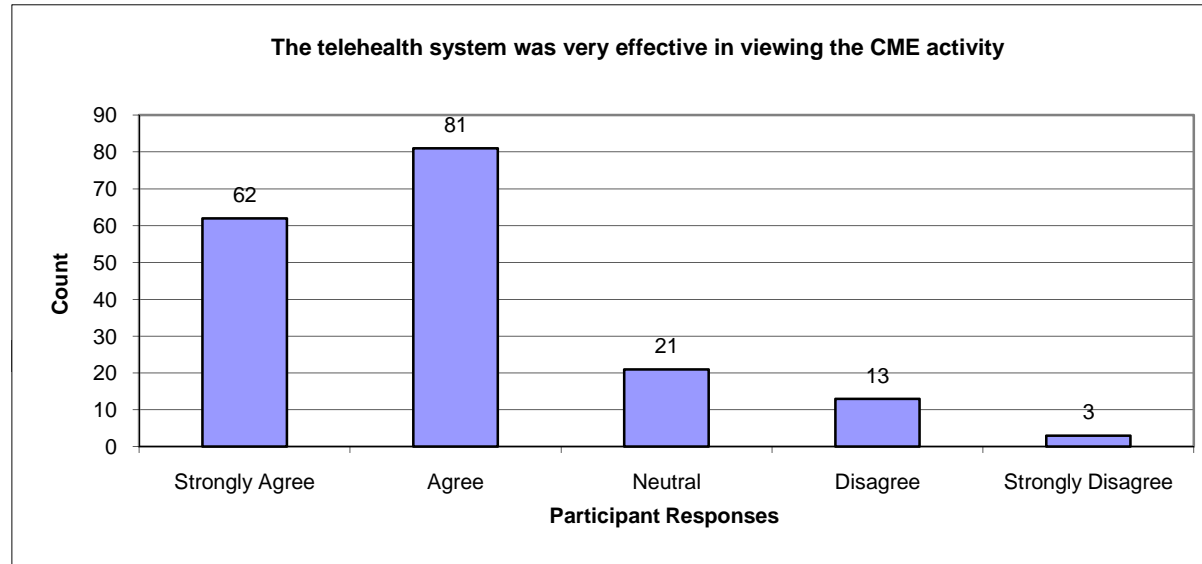
Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

Program is found in the following core budget(s): University of Missouri - Missouri Telehealth Network

7d. Provide a customer satisfaction measure, if available.

Satisfaction data was collected on Continuing Medical Education (CME) activities that were viewed utilizing the telehealth equipment. During FY2010, 320 CME activities were broadcast via telehealth to 850 professionals, ranging from physicians and nurse practitioners to community support specialists, social workers and public health staff. The chart below represents the satisfaction of the professionals who utilized the telehealth equipment to participate in the CME activities.



Comments from rural providers about the telehealth CME presentations were favorable, indicating it was advantageous to connect from their clinic, and the information was very useful. "It was a pleasure to be able to tune into this from our clinic:" "This presentation was very good." "Great talk! Very helpful." "Enjoyed method of presentation - good outreach" "excellent, invaluable information. Thank you." "Very strong, useful clinical points to help in diagnosing/suspecting peds clinical problems." "Great review! Learned information that I did not know!" "Very easy to dial grand rounds." "Excellent presentation great information and enjoyed the opportunity to freely ask questions during the presentation." "Thank you so much for this education; helpful as parent and health care professional." "Thanks; a good training. Clear and direct."

NEW DECISION ITEM REQUEST

**UNRESTRICTED EDUCATIONAL AND GENERAL
FORM 5**

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Telehealth Network
Decision Item Name: Restoration of the Core and Increase for Sustaining Quality and Service: \$288,280
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to previous funding levels and provide an increase for sustaining quality and service. It includes restoration of the \$263,319 core cut to the FY2010 and FY2011 budget and an increase of \$24,961 for sustaining quality and service. The Missouri Telehealth Network (MTN) plays a vital role in Missouri’s health care system.

II. DESCRIPTION

The core reduction has a significant impact on the services provided by this still new and growing program and the ability to effectively manage the network. The Missouri Telehealth Network (MTN) manages a 2 Gigabyte dedicated health care backbone and over 200 endpoint locations in Missouri. Network monitoring and management equipment, such as Polycom CMA, will not receive necessary maintenance and upgrades due to this reduction. Aging equipment will increase likelihood of failure during medical visits for underserved patients in rural areas and state facilities, such as Fulton State Hospital. The MTN backbone will be instrumental in the Missouri implementation of a state Health Information Organization as a resource for exchange and access to required broadband for rural health care providers.

MTN will use this core funding for vital staffing, network maintenance costs, necessary equipment upgrades and replacement, and network transmission costs associated with the network. MTN provides ongoing technical support, training, troubleshooting, maintenance and software upgrades for telehealth sites and management of the backbone.

In order to sustain quality and service at current levels the MTN will require funds to offset the effects of increased operation costs. An adjustment of 4.2 percent on the state appropriation base is requested.

III. COST EXPLANATION

Restoration of the Core funding cut FY2011	\$263,319
State Appropriations (4.2 percent of State Appropriation)	<u>\$ 24,961</u>
Total State Appropriations	\$288,280

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: University of Missouri Alzheimer's Program

Program is found in the following core budget(s): University of Missouri - Alzheimer's Program

1. What does this program do?

The purpose of this program is to fund research that will advance knowledge concerning Alzheimer's Disease and related disorders. Alzheimer's Disease and other diseases result from significant destruction of brain tissues and are characterized by a decline of memory and other intellectual functions. Alzheimer's Disease is a particular problem in Missouri, a state with one of the largest elderly populations in the country.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 172.800 - 172.807, RSMo

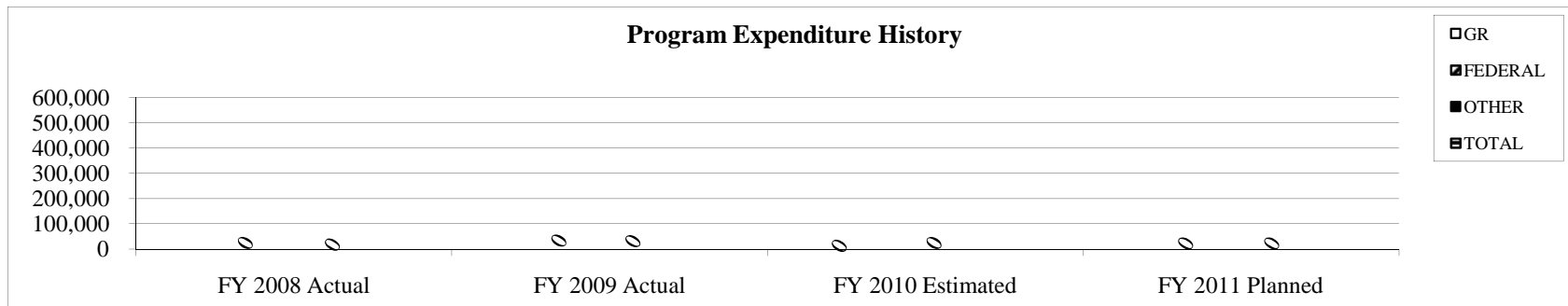
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



In FY2005 the program received and expended \$206,770 in state appropriations. No appropriations have been provided for this program since FY2005.

6. What are the sources of the "Other " funds?

N/A

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: University of Missouri Alzheimer's Program

Program is found in the following core budget(s): University of Missouri - Alzheimer's Program

7a. Provide an effectiveness measure.

This program has not received funding since FY2005. In FY2005, 33 proposals for research were received and 7 were awarded.

7b. Provide an efficiency measure.

This program has not received funding since FY2005. In FY2005, \$205,000 was awarded with an average award amount of \$29,000.

NOTE: The amount awarded is the appropriated funds less 10% which is used (per statute) for program administration.

7c. Provide the number of clients/individuals served, if applicable.

N/A

7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM REQUEST

ALZHEIMER'S PROGRAM FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri System
Level 3 Other Curator Programs
Decision Item Name: Alzheimer's Program: \$436,480
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

Alzheimer's disease and other diseases result from significant destruction of brain tissues and are characterized by a decline of memory and other intellectual functions. Alzheimer's disease is a particular problem in Missouri, a state with one of the largest elderly populations in the country. The purpose of this request is to fund research that will advance knowledge relating to Alzheimer's disease and related disorders.

II. DESCRIPTION

An advisory board will make research awards, consistent with the legislation, to investigators in public or private educational, health care, and research institutions and other voluntary health associations.

III. REQUESTED AMOUNT

Senate Bill 200, passed in 1987, stipulates that the Board of Curators shall request annually an appropriation for Alzheimer's research of not less than \$200,000 adjusted for inflation. In addition, the request is to include administrative costs not to exceed 10 percent of the appropriation for research.

The request for FY2012 is \$436,480 based on \$200,000 and a projected Consumer Price Index of 198.4. The request for research funds is \$396,800, and the request for administrative funds is \$39,680, 10 percent of the research amount.

IV. EVALUATION OF OUTCOMES

The university will require reports from funded investigators and will evaluate annually the extent to which this program achieves its programmatic objectives.

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Spinal Cord Injury

Program is found in the following core budget(s): University of Missouri - Spinal Cord Injury

1. What does this program do?

This program provides support for research projects in Missouri that promote and advance knowledge in the areas of spinal cord injuries and congenital or acquired disease processes.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 304.027, RSMo

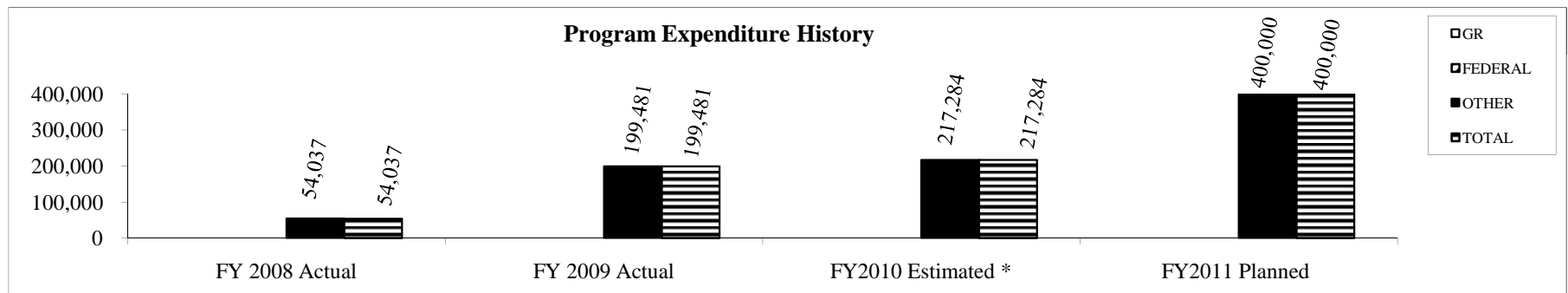
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



* FY2010 includes state appropriation receivable to cover FY2010 expenditures.

6. What are the sources of the "Other " funds?

Spinal Cord Injury Fund (0578)

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Spinal Cord Injury

Program is found in the following core budget(s): University of Missouri - Spinal Cord Injury

7a. Provide an effectiveness measure.

The Spinal Cord Injury Fund Program (SCI) was established in FY02. During FY02 potential members of an SCI Advisory Board were identified, nominated and approved by the University of Missouri Board of Curators. In FY03 the Advisory Board developed a list of organizations and institutions conducting spinal cord injury and treatment research. The Board then released a Call for Proposal and developed a web page to assist applicants in preparing proposals. The program's success will depend on the number of proposals that are awarded each year.

Proposals received vs proposals awarded

FY 08		FY 09		FY 10		FY 11		FY 12		FY 13	
<u>Received</u>	<u>Awarded</u>	<u>Received</u>	<u>Awarded</u>	<u>Proj Rec'd</u>	<u>Awarded *</u>	<u>Proj Rec'd</u>	<u>Proj Award</u>	<u>Proj Rec'd</u>	<u>Proj Award</u>	<u>Proj Rec'd</u>	<u>Proj Award</u>
4	2	6	3	4	5	7	5	8	6	8	6

* More awarded then received in FY10 because one award was received in FY09 but not awarded until FY10.

7b. Provide an efficiency measure.

The program did not award any research funds until FY04. In FY04 the Board reviewed and awarded 2 projects. Prior to legislation passed in FY10 session, project amounts could not exceed \$50,000 per year.

Average award per proposal

FY 08		FY 9		FY 10		FY 11		FY 12		FY 13	
Total Award **	Avg Award	Total Award	Avg Award	Total Award	Avg Award	Total Award	Avg Award	Total Award	Avg Award	Total Award	Avg Award
<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
\$84,725	\$42,363	\$144,044	\$48,015	\$202,600	\$40,520	\$325,000	\$70,000	\$560,000	\$100,000	\$560,000	\$100,000

7c. Provide the number of clients/individuals served, if applicable.

N/A

7d. Provide a customer satisfaction measure, if available.

N/A

NEW DECISION ITEM REQUEST

SPINAL CORD INJURY FUND FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri System
Level 3 Other Curator Programs
Decision Item Name: Spinal Cord Injuries and Congenital or Acquired Disease Processes Research Program: \$625,000 E
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The Spinal Cord Injury Fund, established by the legislature in 2001, supports research in Missouri in the area of spinal cord injuries and congenital or acquired disease processes.

Congenital spinal cord abnormalities, such as spina bifida, include birth defects affecting the spinal cord. In addition to traumatic injuries to the spinal cord that lead to paralysis, acquired abnormalities could include Friedreich's ataxia, which manifests itself in teenage years and appears to run in families, as well as paralysis due to multiple sclerosis, polio, etc.

According to the National Spinal Cord Injury Statistical Center, approximately 262,000 persons in the United States are living with a spinal cord injury or dysfunction, with about 12,000 new cases each year. Most experts agree that this number is understated as cases involving instantaneous death, or death soon after injury, as well as those with little or no remaining neurological deficit or neurological problems secondary to trauma are not included. The majority (81 percent) of spinal cord injury victims are males. Most of the injuries result from motor vehicle accidents (44 percent), falls (27 percent), violence (15 percent), or sports injuries (8 percent).

II. DESCRIPTION

An advisory board will make research awards, consistent with the legislation, to investigators affiliated with a public or private educational, health care, voluntary health association or research institution.

III. COST EXPLANATION

State statute stipulates that the Board of Curators shall request annually an appropriation for research awards from the Spinal Cord Injury Fund. Senate Bill 987, passed in the 2010 legislative session provided an increase in research awards from the past \$50,000 maximum to \$250,000 per award. This award increase is anticipated to increase the number and amount of annual proposals and awards for the program. Currently the appropriation is an estimated appropriation but to ensure an adequate level, an increase in appropriation is requested to \$625,000 E for FY2012. The request is composed of \$600,000 for research funds and \$25,000 for administrative funds.

IV. EVALUATION OF OUTCOMES

The university will require reports from funded investigators and will evaluate annually the extent to which this program achieves its programmatic objectives.

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

Program is found in the following core budget(s): University of Missouri - State Seminary Fund

1. What does this program do?

This program provides income for the general operation of University of Missouri College of Agriculture and School of Mines and Metallurgy and for three scholarships that the Curators added to the Seminary Fund in 1909. Funding for the investments that distribute to Agriculture and Mines & Metallurgy were derived from four sources - the First and Second Morrill Acts of 1862 which granted acreage to fund "at least one college to teach agriculture and mechanical arts", US Congressional reimbursement to the state of Missouri for subsisting troops during the Civil War, and fees from the sale or lease of railway equipment in 1895. Funding for the scholarships was from gifts/bequests to the university and per Board of Curators decision these were added to the Seminary Fund. Per state statute the Seminary monies belong to the university but the state must hold the securities.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 172.610, RSMo

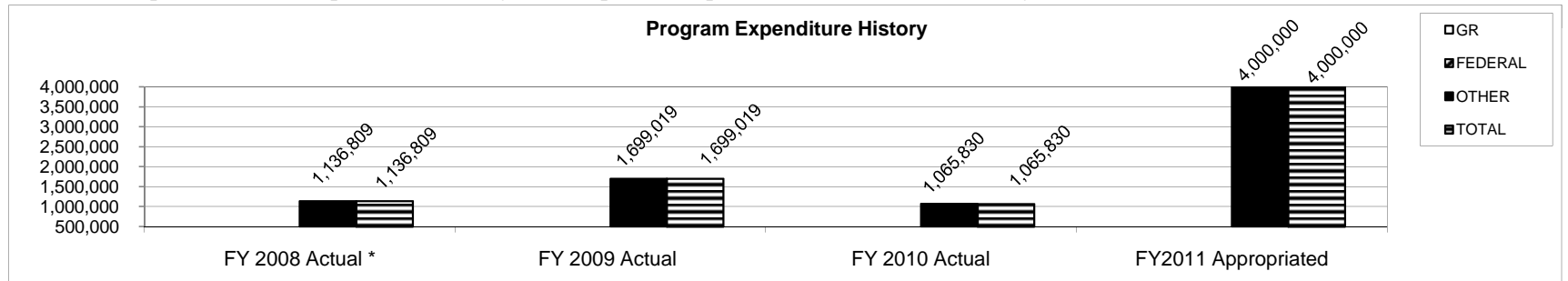
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.

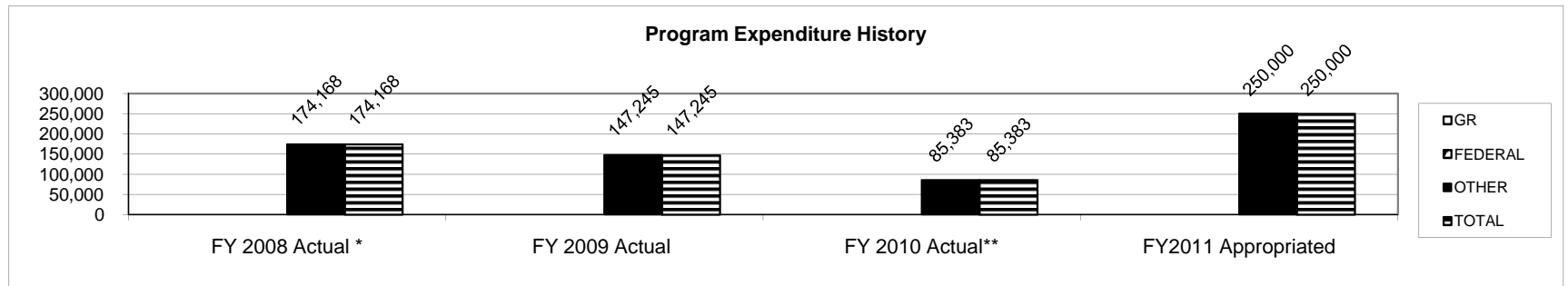


The expenditures in the graph above represent investments made by the university. As the investment instruments mature the university requisitions funds appropriated by the General Assembly for re-investment of investment instruments.

* The purchase was made in FY2008 but the cash was received in FY2009.

PROGRAM DESCRIPTION

Department of Higher Education
Program Name: Division of Four-year Colleges and Universities
Program is found in the following core budget(s): University of Missouri - State Seminary Fund



The expenditures in the graph above represent interest from investments made by the university. The interest is used to fund operations at University of Missouri-Columbia (MU) and Missouri University of Science and Technology (MO S&T) campuses and to fund some scholarships.

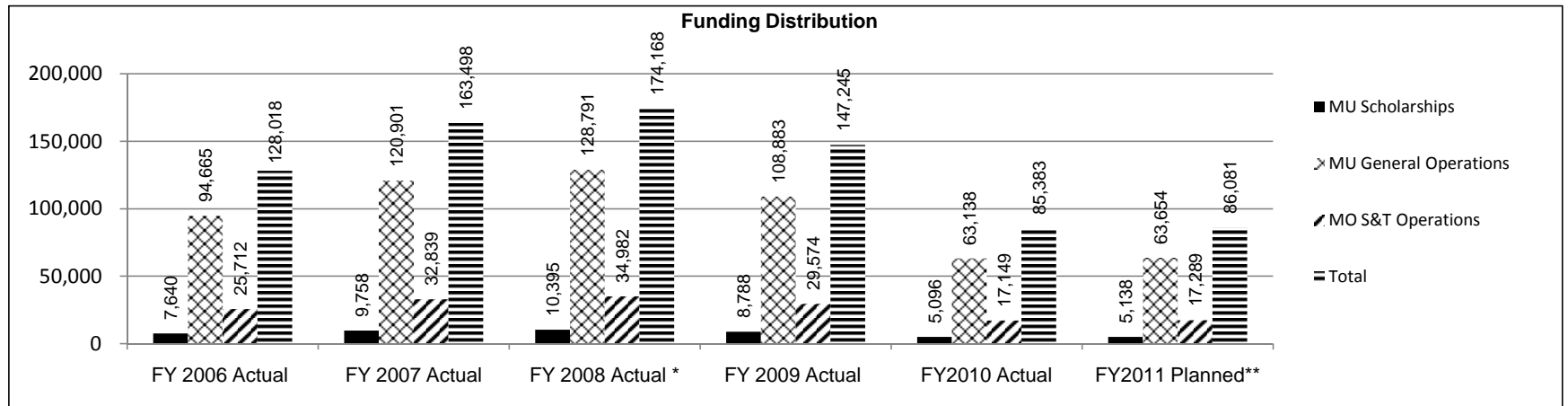
* Includes \$61,862 of the FY2008 earnings that was received in FY2009.

**Does not include \$19,974 of the FY2010 earnings that was received in FY2011

6. What are the sources of the "Other" funds?

State Seminary Fund (0872); State Seminary Money Fund (0623)

7a. Provide an effectiveness measure.



* Includes \$61,862 of the FY2008 earnings that was distributed in FY2009.

**Includes \$19,974 of the FY2010 earnings that was distributed in FY2011. Total estimated receipts for FY2011 are down due to market conditions including Treasury Bill rate decline.

PROGRAM DESCRIPTION

<p>Department of Higher Education Program Name: Division of Four-year Colleges and Universities Program is found in the following core budget(s): University of Missouri - State Seminary Fund</p>
<p>7b. Provide an efficiency measure. N/A</p>
<p>7c. Provide the number of clients/individuals served, if applicable. N/A</p>
<p>7d. Provide a customer satisfaction measure, if available. N/A</p>

NEW DECISION ITEM REQUEST

**STATE SEMINARY FUND
FORM 5**

Department: Higher Education-Unrestricted
Level 2 University of Missouri System
Level 3 Other Curator Programs
Decision Item Name: Seminary Fund: \$4,275,000
Decision Item Rank: 1 of 1

PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The Seminary Fund was created for the support of the University of Missouri’s College of Agriculture and the School of Mines and Metallurgy. This fund consists of proceeds from the sale of land donated to the State of Missouri, proceeds from the direct tax received from the United States, the James S. Rollins Scholarship Funds, etc.

The Board of Curators is the commissioner of the Seminary Fund, and all money and funds held in or received by it, with the exception of interest, shall be invested by the commissioner in registered bonds of the United States or the State of Missouri, bonds of school districts of the State of Missouri or other securities on which the United States fully guarantees payment of not less than par value.

The State Treasurer is the custodian of the Seminary Fund and is not authorized to disburse any of these funds except upon a warrant drawn by the State Commissioner of Administration in accordance with the requisition made by the Board of Curators. The State Treasurer is empowered to collect the interest on bonds when due, credit the Seminary Fund and pay the Board of Curators the annual income received in the Seminary Funds upon requisition by the Board of Curators.

For FY2012 the university is requesting an increase in principal from \$3,000,000 to \$4,000,000 due to several treasury notes coming due in that fiscal year. The principal will be reinvested during the fiscal year in Government Securities held in the Seminary Fund and an increase from \$250,000 to \$275,000 in earnings from principal held in the Seminary Fund is requested.

	<u>FY2010 Appropriation</u>	<u>FY2011 Appropriation</u>	<u>FY2012 Request</u>
To Cover Investment in Government Securities	\$3,000,000	\$3,000,000	\$4,000,000
To Cover Investment Earnings from Principal Held in the Seminary Fund	\$250,000	\$250,000	\$275,000

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

State Historical Society of Missouri

	<u>FY2009 Actual</u>	<u>FY2010 Actual</u>	<u>FY2011 Core Planned & FY2012 Core</u>	<u>Restoration of the Core</u>	<u>Increase for Sustaining Quality & Service</u>	<u>FY2012 Request</u>
EXPENDITURES:						
Program Operations	\$1,492,425	\$1,161,476	\$1,227,605	\$391,956	\$51,559	\$1,671,120
Total Expenditures	<u>\$1,492,425</u>	<u>\$1,161,476</u>	<u>\$1,227,605</u>	<u>\$391,956</u>	<u>\$51,559</u>	<u>\$1,671,120</u>
FTE Employees	26.0	22.0	22.0	4.0		26.0
SOURCES OF FUNDS:						
State Appropriations	\$1,492,425	\$1,049,476	\$1,227,605	\$391,956	\$51,559	\$1,671,120
Other Sources		112,000				
Total Sources	<u>\$1,492,425</u>	<u>\$1,161,476</u>	<u>\$1,227,605</u>	<u>\$391,956</u>	<u>\$51,559</u>	<u>\$1,671,120</u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

State Historical Society of Missouri

	<u>FY2009 Actual</u>		<u>FY2010 Actual</u>		<u>FY2011 Planned & FY2012 Core</u>		<u>Restoration of the Core</u>		<u>Increase for Sustaining Quality & Service</u>	<u>FY2012 Request</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
PERSONAL SERVICES:											
Teaching and Research	1.0	\$78,788	1.0	\$74,850	1.0	\$78,788			\$3,152	1.0	\$81,940
Exec., Admin., Managerial	1.0	72,979	1.0	69,330	1.0	72,979			2,919	1.0	\$75,898
Professional	18.5	686,558	15.0	556,230	15.0	576,230	3.5	140,000	23,049	18.5	\$739,279
Office	4.0	118,626	4.0	103,608	4.0	118,626			4,745	4.0	\$123,371
Service	1.0	21,361	1.0	24,538	1.0	24,538			982	1.0	\$25,520
Student	0.5	9,250	0.0		0.0		0.5	10,000	0	0.5	\$10,000
Staff Benefits		<u>277,007</u>		<u>233,789</u>		<u>255,000</u>		<u>37,000</u>	<u>10,200</u>		<u>\$302,200</u>
Total Personal Services	26.0	\$1,264,569	22.0	\$1,062,345	22.0	\$1,126,161	4.0	\$187,000	\$45,047	26.0	\$1,358,208
EXPENSE AND EQUIPMENT:											
Library Acquisitions											
Withholding Reserve											
All Other		<u>\$227,856</u>		<u>\$99,131</u>		<u>\$101,444</u>		<u>\$204,956</u>	<u>\$6,512</u>		<u>\$312,912</u>
Total Expense & Equip.		<u>\$227,856</u>		<u>\$99,131</u>		<u>\$101,444</u>		<u>\$204,956</u>	<u>\$6,512</u>		<u>\$312,912</u>
Grand Total	<u>26.0</u>	<u>\$1,492,425</u>	<u>22.0</u>	<u>\$1,161,476</u>	<u>22.0</u>	<u>\$1,227,605</u>	<u>4.0</u>	<u>\$391,956</u>	<u>\$51,559</u>	<u>26.0</u>	<u>\$1,671,120</u>

**CORE BUDGET REQUEST ANALYSIS
FORM 4**

STATE HISTORICAL SOCIETY OF MISSOURI

I. MISSION STATEMENT

The State Historical Society of Missouri is directed by statute to collect, preserve, make accessible, and publish materials pertaining to the history of the state, the Middle West, and the West.

II. PROGRAM DESCRIPTION

The society's facilities comprise a reference and newspaper library; art, map, and photograph collections; and, the Western Historical Manuscript Collection, a joint repository of the Society and the University of Missouri, with branches on all four campuses. Users include students from elementary school through graduate school, academicians, historians, genealogists, journalists, lawyers, government staff, writers, and members of the public researching a variety of topics. In addition to assisting researchers, the society provides public programming on historical and genealogical topics through art exhibitions, workshops, tours, lectures, and a speakers' bureau.

III. PERFORMANCE AND ACTIVITY MEASURES

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
Patrons Assisted in Society Quarters	10,080	10,181	10,283
Research Contacts (letters, fax, e-mail, phone)	7,066	7,773	8,550
Administrative & Business Contacts (letters, fax, e-mail, phone)	24,080	26,488	29,137
In-house Tours Given	44	45	46
Web Site Visitors	658,329	987,493	1,283,741
Public Programs (inhouse)	12	13	14
Staff Outreach Events (off-site)	73	80	88
Speakers' Bureau Presentations	45	20	25

III. PERFORMANCE AND ACTIVITY MEASURES (Continued)

	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>
Speakers' Bureau Audience	1,745	600	750
Students Participating in History Day program	2,418	2,442	2,466
Books Used	21,683	21,890	22,109
Microfilm Used	33,989	34,329	34,672
Photographic Requests Filled for Patrons	133	134	135
Photographic Reproductions made for Patrons	460	465	470
Interlibrary Loan Requests Filled	1,077	1,088	1,099
Reels of Microfilm Sent on Interlibrary Loan	1,407	1,421	1,435
Copies of <i>Missouri Historical Review</i> Printed	19,725	19,922	20,121
Exhibits and Displays Produced	12	13	14
Membership Records Maintained	4,986	5,036	5,086

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

Program is found in the following core budget(s): University of Missouri - State Historical Society

1. What does this program do?

The State Historical Society of Missouri collects, preserves, makes accessible, and publishes materials pertaining to the history of Missouri, the Middle West, and the West. The Society's quarters include a reference library, newspaper, census, photograph and map collections, an art collection and gallery, and the Western Historical Manuscript Collection, which is a joint repository of the Society and the University of Missouri. Use of these facilities is free and open to the public. In addition to these research facilities, the Society publishes a scholarly quarterly journal, the *Missouri Historical Review*, and a quarterly newsletter. The Society is a co-sponsor with the Western Historical Manuscript Collection - Columbia for National History Day in Missouri. The program annually attracts thousands of Missouri students in grades 6-12 to research historical topics based on an annual theme and prepare papers, performances, exhibits, or documentaries based upon their research. The Society also provides public programming for adults interested in historical research and Missouri history through art exhibitions, workshops, tours, lectures, and a speakers' bureau.

2. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 183.010 - 183.030, RSMo

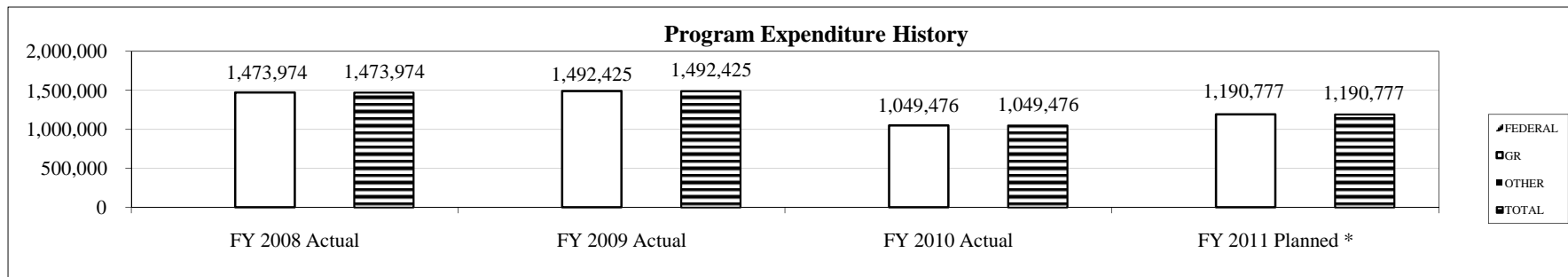
3. Are there federal matching requirements? If yes, please explain.

No

4. Is this a federally mandated program? If yes, please explain.

No

5. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year.



*Net of Governor's 3% Withholding

6. What are the sources of the "Other " funds?

All of the society's appropriations are from General Revenue. However, the society has a Membership Trust Fund that helps to support its mission.

PROGRAM DESCRIPTION

Department of Higher Education
Program Name: Division of Four-year Colleges and Universities
Program is found in the following core budget(s): University of Missouri - State Historical Society

7a. Provide an effectiveness measure.

How many individuals use society resources on-site?

FY2009 Projected	FY2009 Actual	FY2010 Projected	FY2010 Actual	FY2011 Target	FY2012 Target	FY2013 Target
10,860	11,469	12,157	10,056	10,157	10,259	10,362

How many contacts does society staff have via phone, letters, e-mail, and fax?

FY2009 Projected	FY2009 Actual	FY2010 Projected	FY2010 Actual	FY2011 Target	FY2012 Target	FY2013 Target
22,627	20,549	20,754	31,146	32,703	34,338	36,055

7b. Provide an efficiency measure.

What is the average number of on-site researchers and visitors assisted by each member of the reference staff?

FY2009 Projected	FY2009 Actual	FY2010 Projected	FY2010 Actual	FY2011 Target	FY2012 Target	FY2013 Target
1,207	1,349	1,520	1,260	1,270	1,283	1,295

7c. Provide the number of clients/individuals served, if applicable.

How many individuals does the society assist and have contact with?

FY2009 Projected	FY2009 Actual	FY2010 Projected	FY2010 Actual	FY2011 Target	FY2012 Target	FY2013 Target
236,758	253,552	281,443	701,300	1,051,950	1,367,535	1,777,795

Note: The large increase in contacts is primarily due to the addition of numerous new research materials on the Society's website.

NEW DECISION ITEM REQUEST
STATE HISTORICAL SOCIETY OF MISSOURI
FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 State Historical Society of Missouri
Decision Item Name: Restoration of the Core and Increase for Sustaining Quality and Service: \$443,515
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to previous funding levels and provide an increase for sustaining quality and service. It includes restoration of the \$391,956 core cut to the FY2010 and FY2011 budgets and an increase of \$51,559 for sustaining quality and service.

II. DESCRIPTION

The State Historical Society of Missouri exists to collect, preserve, make accessible, and publish materials pertaining to the history of the state, Middle West, and the West. The core reduction of 24 percent since FY2009 has had a significant impact to the services provided. It has required the elimination of staff that has resulted in a further backlog of preserving, microfilming, digitizing, and making accessible to patrons and researchers the Society's extensive newspaper library, as well as reduced the ability to catalog, process and make available other historical materials. The current backlog of microfilming is up to 2 years and growing on regular submissions, not counting the ability to keep up with any donations of rare collections. The delay in getting newspaper collections microfilmed severely restricts providing services for new patrons and those existing patrons that might be restricted in access by their location. Elimination of the student worker program has not only impacted the educational benefits for those students participating, but also reduced research opportunities and services to patrons. Reduction in staff size has also created a decline in customer service to patrons, meaning additional wait times and inability to fill patron requests in a timely manner. Budget cuts have forced the Society to halt its very popular Missouri History Speaker Series as well as its Missouri History in Performance (MoHiPTheatre) program. The support that the society has been able to provide in the past in coordination with Missouri schools for the National History Day in Missouri has been severely curtailed, which limits this very important educational opportunity for thousands of Missouri students, 6-12 grades. Finally, budget cuts have threatened the Society's ability to publish its award-winning scholarly journal, the *Missouri Historical Review*, which has been published quarterly, without fail, since 1906. The return of state funding will allow the Society to restore services in all of these mission critical areas.

The funding situation becomes even more problematic when adjusted for inflation. The State Historical Society of Missouri continues to incur higher costs to deliver its services to the public in spite of efforts to be more efficient and control costs. There are fixed cost increases associated with

insurance, library materials, information technology equipment, and supplies and services. Lack of additional funding limits the ability of the State Historical Society of Missouri to sustain the quality and level of its services, much less expand its services for the citizens of Missouri.

State Historical Society of Missouri will require funds to offset the effects of increased costs of operation. An adjustment of 4.2 percent on the state appropriation base is requested to maintain a highly skilled and professional staff and to respond to the growing demand for patron services. The personnel policies are the same for these programs as for the general operations of the university.

III. COST EXPLANATION

Restoration of Core funding	\$391,956
Increase for Sustaining Quality and Service (4.2 percent of State Appropriation)	<u>51,559</u>
Total State Appropriations	\$443,515