UNIVERSITY OF MISSOURI SYSTEM

Fiscal Year 2014

Appropriations Request for Operations

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University of Missouri System

Fiscal Year 2014

UNIVERSITY OF MISSOURI SYSTEM

FY2014 APPROPRIATIONS REQUEST FOR OPERATIONS

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The University of Missouri System: Advancing Missouri

The University of Missouri System, the state's public, research, land-grant university, touches every person in the state almost every day in some way, and is a vital driving force in the economic, health and well-being of Missourians. Today, we are educating over 75,000 students, 33%, or 18,600, more students than we did twelve years ago. And, we are providing over $657 million in hospital health care, along with millions of dollars in free, uncompensated health and dental care services for indigent Missourians.

In spite of the turbulent economy, the University is financially sound. This is a result of strong management and a continuing and sharp focus on educational quality. We are committed to serving the state's higher education needs.

- In 2012, we conferred over 16,515 degrees; 48% more than we did in 2001. This record number reflects both improving graduation rates and our growing number of students.
- Fall 2012 enrollment on our four campuses is at an all-time high with an estimated increase of 2.2% or over 1,600 more students, primarily undergraduate.
- Over the 10-year period from Fall 2001 to Fall 2011, the University of Missouri accounted for 89% of the FTE undergraduate enrollment growth among the state's four year public institutions.

Through our research and economic development missions, our faculties are performing cutting edge research that pushes the frontiers of knowledge on the one hand and leads to innovations and new technologies that form the foundation for new Missouri businesses on the other hand.

- The university's faculty brought into the state over $320 million in research funding;
- Through our Entrepreneurial Investment Program, we committed $600,000 in start-up investments which generated to date another $300,000 from other sources.
- In FY2012, we processed 163 invention disclosures, signed 39 license/option agreements, and created eight new start-up companies.

Our university has a unique role to play in improving the quality of life for all Missourians through unparalleled excellence in each of our missions: teaching, research, public service, and economic development. In order to continue to deliver on our mission, our leadership team is focused on six priorities:

- Focused Strategic Planning
- Attracting and Retaining the Best People
- Innovative Instruction
- Operational Excellence
- Expanded Research and Economic Development
- Effective Communication of our Value and Importance.

I am excited about what we have accomplished and where we are headed. Our partnership with the state and its financial support are critical to our success. The foremost priority in our FY14 appropriations request for operations is the funding of the FY13 core state appropriation of $398.0 million. A commitment by the state to fund at the highest level possible will support the university's distinctive ability to deliver quality education and cutting-edge research, while also advancing the state's economy. Our requests for new investments would increase research capacity and the number of college graduates qualified to meet workforce needs in science, technology, engineering, mathematics, and healthcare.

We are good stewards of the funds we receive and provide a tangible return to the state on its investment in the University.

Sincerely,

Timothy M. Wolfe
President

Summaries

Executive Summary

The University of Missouri System's foremost priority in the FY2014 request for operations is the funding of its FY2013 core state appropriation of $398.0 million. Following the core the University's FY2014 appropriation request is centered on two strategic themes. Minimum Funding for Core Operations is our number one priority and required to execute our mission. In addition to the minimum funding requirement, the University's request focuses on new investments which when combined with the core, will advance Missouri's competitiveness, 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 maintaining its position as one of the top public research universities in the country. These new initiatives would increase research capacity and the number of college graduates qualified to meet workforce needs in science, technology, engineering and mathematics and in healthcare.

An increase in state support for the University of Missouri is critical to ensure continued accessibility and quality, cutting edge educational programs to educate more of the state's leaders of tomorrow. The University is educating 30% more students today, than it did ten years ago with the same level of state support, resulting in almost a 25% decline in state support per FTE student. Without increased investment by the state, the ability of the University to help the state meet its goals is at risk. In addition, these new investments better position the university to contribute to the future economy of Missouri and the welfare of its citizens.

The investments will be funded through a partnership with the state, the university, donors, and its students. The request from the state for additional funding would be coupled with university resources. These investments are:

Minimum Funding for Core Operations: State Request $417.9 million.

Minimum Funding for Core Operations	
1. FY13 Operating Appropriation Base (Core Total)	$398.0
2. UMKC/MSU Pharmacy Funding (Core)	2.0
3. MOFAST (MO Fed & State Technical Prgm) (Core)	0.3
4. Core Operating Support - annual merit and inflationary increases	15.7
5. St. Louis Equity Adjustment	1.9
Total FY 2014 Minimum Funding for Core	**$417.9**

This strategic theme includes continued funding in three core operating areas that are currently appropriated. The base appropriation of $398.0 million, a University of Missouri Kansas City/Missouri State University satellite Doctor of Pharmacy Program of $2.0 million and a partnership between University of Missouri and Department of Economic Development of $340,000 for Missouri Federal and State Technology Partnership Program.

Core Operating Support: Total need $39.2 million: State Request $15.7 million

The University is operating with the same level of state support that it received ten years ago even though over that time period it has added 17,000 students, which translates into growth of 30%. With over 28,000 employees, the University is one of the largest nongovernmental employers in the state. 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. Of the total $39.2 million need, the $15.7 million state request will help the university build a 3% merit compensation pool for faculty and staff, cover a portion of benefit cost increases

and provide a small amount for equipment, technology, infrastructure, and other on-going costs including unfunded mandates and compliance.

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. All but $2.2 million of the gap has been funded by special state appropriations and reallocations from UM System. The $1.9 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.

Advancing Missouri's Competitiveness: State Request $65.5 million.

Advancing Missouri's Competitiveness	
A. Increasing STEM Education & Research Capacity	
1. Meeting the State's Workforce Needs in STEM	$20.2
2. Science & Engineering Equipment	2.0
3. Sustain STEM Enrollment Growth	16.6
4. Improve STEM Infrastructure	16.4
Total STEM	**$55.2**
B. Caring for Missourians - Phase 2	
1. Nursing, Dentistry, Optometry, and Health Professions	10.3
Total Caring for Missourians - Phase 2	**$10.3**
Total Advancing Missouri's Competitiveness	**$65.5**

The University of Missouri as the state's land grant research University plays a critical role in supporting the state's economic growth and development and its national and international competiveness. Economic studies indicate that a state's future prosperity will rest on the extent to which its citizens have access to quality health care, its graduates are educated in the STEM disciplines, and research and innovation in STEM and healthcare disciplines are fostered. Missouri's Competitiveness has two foci: one on the STEM disciplines and one on health care as described below.

Meeting the State's Workforce Needs in Science, Technology, Engineering, and Mathematics: State Request $20.2 million

This request will provide funds for STEM faculty who are focused on student success; provide career enhancement for elementary and secondary teachers in math, science and engineering; support retention efforts for students in STEM disciplines; provide need-based scholarships and work-study funding for students in math, science and engineering and stipends for undergraduate research; provide stipends to STEM education students during the semester of student teaching, and loan forgiveness and stipends as incentives for STEM graduates to teach in elementary and secondary institutions; and support experiential youth programs focused on math, science and engineering.

Science & Engineering Equipment: State Request $2.0 million

Acquisition of cutting edge science, engineering, and technology based equipment is needed to update the University's science and engineering laboratories and to support the education of students enrolled in STEM disciplines. The need for updated equipment in STEM disciplines in ongoing and requires recurring funding. This is such a critical need we are requesting a $2.0 million recurring appropriation.

Sustain STEM Enrollment Growth: State Request $16.6 million

From Fall 2000 to Fall 2011, enrollment in the STEM disciplines accounted for 52% of the enrollment growth at the University. As a result, class sizes and student advising responsibilities have increased

to a point that educational quality and faculty research productivity in the STEM disciplines are at risk. This request for $16.6 million would provide support for enrollment growth in STEM areas and is based on the DHE approved COPHE funding formula.

Improve STEM Infrastructure: Total need identified $32.8 million, 1st year of 2 year request: State Request $16.4 million

Protecting our infrastructure is a critical investment especially in STEM related facilities. The total need of the University in additional required investment to meet best practices is $57.4 million. Of this amount 57% is related to facilities and infrastructure which directly support STEM disciplines. In order to educate the growing number of students enrolling in STEM disciplines, the classrooms and laboratories must be renovated to accommodate state of the art teaching. We are requesting the State provide funding of $16.4 million, the first year of a two year request, to meet this critical need for ongoing annual investments.

Caring for Missourians – Phase 2 - $10.3 million

The State of Missouri has a growing shortage of health care professionals affecting the quality of care and access to care, and its higher education institutions have limited capacity for expanding educational opportunities. The University of Missouri is responsible to the State for providing access to quality educational experiences for Missouri's future health care providers. Economic development and well-being in Missouri depends on a healthy workforce. In turn, a healthy workforce depends on access to quality care delivered by qualified health professionals. This request is targeted at addressing access to care by increasing the health care professionals graduating from the University.

In summary, the operations request from the State for an additional $83.1 million combined with the FY13 appropriated cores of $400.3 million results in a total request for operations of $483.4 million. The state funds would be coupled with University resources including internal efficiencies and reallocation and an increase in tuition and fees to meet the University's funding needs.

Summary:

I.	**Minimum Funding for Core Operations**		
	1. FY13 Operating Appropriation Base (Core Total)	$398.0	
	2. UMKC/MSU Pharmacy Funding (Core)	2.0	
	3. MOFAST (MO Fed & State Technical Prgm) (Core)	0.3	
	4. Core Operating Support - annual merit and inflationary increases	15.7	
	5. St. Louis Equity Adjustment	1.9	
	Total Minimum Funding for Core Operations	**$417.9**	
II.	**Advancing Missouri's Competitiveness**		
	A. Increasing STEM Education & Research Capacity		
	1. Meeting the State's Workforce Needs in STEM	$20.2	
	2. Science & Engineering Equipment	2.0	
	3. Sustain STEM Enrollment Growth	16.6	
	4. Improve STEM Infrastructure	16.4	
	Total STEM	**$55.2**	
	B. Caring for Missourians - Phase 2		
	1. Nursing, Dentistry, Optometry, and Health Professions	10.3	
	Total Caring for Missourians - Phase 2	**$10.3**	
	Total Advancing Missouri's Competitiveness	**$65.5**	
	Total Core Request		**$483.4**

Dollars in Millions

University of Missouri Health System

Missouri Rehabilitation Center – Restoration of the Core & Increase for Sustaining Quality and Service: State Request $0.4 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. Without additional funding, MRC will not be able to cover inflation for FY2014. MRC

continues to experience increases in the cost of goods and services at a time when reimbursement for services has declined due to serving a disproportionate share of Missouri's Medicaid and indigent clients. To sustain MRC at its current operational levels and to continue to provide care to Missourians who are primarily Medicaid recipients or indigent, an adjustment of $440,000 to MRC's base funding level of $10.3 million 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. As with our other operating appropriations our first goal in the FY2014 appropriation request is to maintain the FY2013 core appropriations. In addition, we will ask for slight increases which will be discussed for each program.

Restoration of the Core for the Missouri Kidney Program: State Request $1.4 million

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. A request is made for the restoration of the $1,380,299 core cut in FY2012 from state general revenue funds.

Sustaining Quality and Service: State Request $0.1 million

Requests for funds for the Missouri Kidney Program and Missouri Telehealth include $104,438 to support an increase to the merit compensation and the associated benefits plus inflationary increases in other expenses incurred in providing services to the citizens of Missouri. If these funds are not appropriated, services to the citizens of Missouri will continue to decline, and in some cases be eliminated.

Program	FY14 Increase	
Missouri Kidney Program	$	89,619
Missouri Telehealth		14,819
Total Recurring Requests	$	104,438

Requests to cover merit pay compensation & inflation.

State Historical Society: State Request: $0.5 million

This request is for state funds to restore specific needs of the core budget and provide an increase for sustaining quality and service. It includes restoration of the $454,077 core cut in previous fiscal years and an increase of $78,853 merit compensation and the associated benefits plus inflationary increases in other expenses incurred in providing services to the citizens of Missouri.

MOREnet Rural Initiative: State Request: $0.6 million

MOREnet has requested $573,279 for an initiative targeted at high cost broadband service areas generally found in rural locations. The requested funds will ensure that all MOREnet members pay connectivity costs that are comparable to the median costs across the state of Missouri. Implementing these changes will help to create parity in cost for K-12 and higher education communities that still lack affordable broadband connectivity options compared to other communities in Missouri.

Requests in Accordance with Legislative Requirements: State Request $8.3 million

Requests are made for the Alzheimer's Research Fund, Spinal Cord Injury Research Fund, Seminary Fund, and Missouri Returning Heroes Act in accordance with legislative requirements. Of these four requests only two, Missouri Returning Heroes and Alzheimer's Research are funded from state general revenue. The others have special fund sources that cannot be used for any other purpose.

Requests in Accordance with Legislative Requirements	FY2014 Request
Missouri Returning Heroes	$ 2.0
Alzheimer's Research	0.5
Spinal Cord Injury Research	1.5
Seminary Fund	4.3
Total One-time Requests	**$ 8.3**

Dollars in Millions

In summary, the MRC and other Curator programs request from the State for an additional $11.4 million combined with the FY13 core of $13.6 million results in a total request for these programs of $25.0 million.

Summary MRC and Other Curator Programs

	Continuation of Core Funding	FY2014 New Appropriation Request
University of Missouri Health Care - Missouri Rehabilitation Center	$10.3	$0.4
Other Curator Programs		
Missouri Kidney Program	1.5	0.1
Missouri Kidney Program Restoration	0.0	1.4
Telehealth	0.4	0.1
State Historical Society of Missouri	1.4	0.5
MOREnet	0.0	0.6
Total Other Curator Programs	$3.3	$2.7
One-time Requests in Accordance with Legislative Requirements		
Missouri Returning Heroes		$2.0
Alzheimer's Research		0.5
Spinal Cord Injury Research		1.5
Seminary Fund		4.3
Subtotal Requests in Accordance with Legislative Requirements		$8.3
Total One-time Requests		**$8.3**
Total Recurring Requests	**$13.6**	**$3.0**
Total One-time Requests		**$8.4**

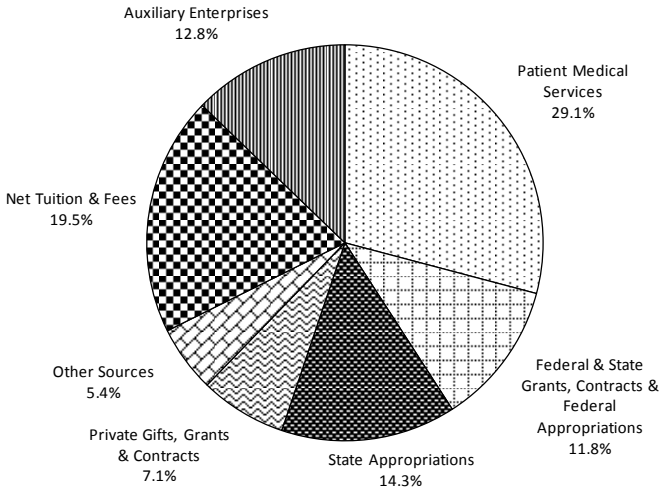
Dollars in Millions

Statistical Highlights

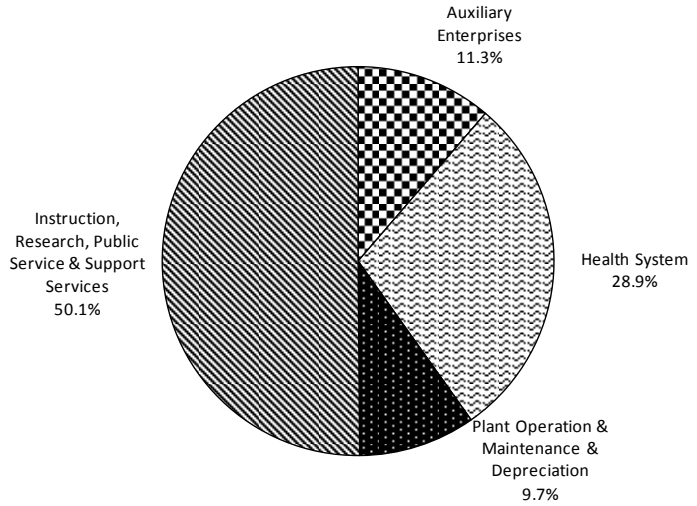
Campuses	Columbia, Kansas City, Missouri S&T, and St. Louis
Enrollment, Fall 2011	
MU:	33,762
UM-Kansas City:	15,473
MO Science & Technology:	7,521
UM-St. Louis:	16,809
Total enrollment:	73,565
(75 percent undergraduate, 25 percent graduate and first professional students)	
Total degrees granted, FY12:	16,515
Total faculty, Fall 2011: *(68 percent full-time, 32 percent part-time)*	7,887
Total staff, Fall 2011: *(76 percent full-time, 24 percent part-time)*	16,761
Total graduate assistants, Fall 2011:	4,204
Total student financial aid FY11: *(in grants, loans, work programs, scholarships, fellowships and other aid)*	$830.3 million
Net book value of capital assets: *(as of June 30, 2012)*	$2.8 billion
Land holdings:	19,429 acres
Grants and contracts expenditures, FY12	
Federal:	$185 million
Other:	$127 million
(includes state, industry, not-for-profit organizations and other)	
Total grants and contracts:	$312 million
Total gifts, FY12: *(includes unrestricted private gifts, capital gifts and private gifts for endowment)*	$126.6 million
Endowment & similar funds *(stated at market as of June 30, 2012)*	
Market value:	$1,062,813,865
Endowment per student:	$18,697

FY12 data shown where available, otherwise prior year data reported.

Total Revenues, FY12 Preliminary
$2.8 billion



Total Operating Expenses, FY12 Preliminary
$2.7 Billion



Economic Development: Investing in Missouri

- UM generated $2.79 billion in total revenues in 2012.
- With more than 28,000 employees in the state, UM was Missouri's 2nd largest employer in 2010.
- UM was issued 34 U.S. patents and filed 117 new U.S. patent applications in 2012.
- Eight business startups were created around UM technologies in 2012 and the university earned $6.5 million in licensing income.
- The Entrepreneurial Investment Program, we committed $600,000 in start-up investments which generated to date another $300,000 from other sources.

FY12 data shown where available, otherwise prior year data reported.

UM Statewide Impact

Students from Missouri, 2011:	57,626
Alumni in Missouri, 2011:	228,281
Selected school alumni:	
Medicine:	3,625
Nursing:	7,831
Other Health Professions:	3,436
Veterinary Medicine:	1,506
Dentistry:	2,488
Pharmacy:	1,679
Engineering:	24,352
Optometry:	499
Agriculture:	11,832
Law:	8,072
Employees & Retirees living in Missouri, 2011:	31,844
State tax revenue generated in Missouri by University employees & retirees, 2011:	$46.4 million
Construction projects & contracts awarded in Missouri in 2011:	476 projects for $140 million
Extension impact, 2011:	1,120,236 contacts MU Extension Centers operate in 111 of the state's 114 counties.
MU Health System impact, 2012:	553,300 clinic visits, 120,985 inpatient days of care, with $51.5 million in uncompensated care.
MOREnet impact, 2011:	65 higher education institutions & 506 school districts served.

UM System Organizational Chart

- Board of Curators
  - General Counsel
  - Secretary of the Board
  - President
    - Chief of Staff
      - Office of Strategic Communications
    - Chancellor MU
    - Chancellor UMKC
    - Chancellor Missouri S&T
    - Chancellor UMSL
    - MU Health Care Advisory Board
      Chaired by UM President
    - Senior Associate Vice President for Academic Affairs
    - Vice President for Finance & Administration
    - Vice President for Government Relations
    - Vice President for Human Resources
    - Vice President for Information Technology
    - Vice President for Research & Economic Development

University of Missouri System

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UNIVERSITY OF MISSOURI SYSTEM
SUMMARY OF FY2014 APPROPRIATIONS REQUEST FOR OPERATIONS

	DECISION ITEM NUMBER	STATE APPROPRIATIONS
FY2014 APPROPRIATION BASE (Core) Total		$398,000,626
FY2014 APPROPRIATION UMKC/MSU Pharmacy Doctorate Program Total		$2,000,000
FY2014 APPROPRIATION Missouri Federal & State Technical Program Total		$340,000
Total Recurring Appropriation Cores		**$400,340,626**
RECURRING INCREASE REQUESTED:		
Increase for Core Operating Support	1	$17,563,729
Increasing STEM Education and Research Capacity	2	55,200,000
Caring for Missourians-Phase 2	3	10,300,000
Required Investment for New Decision Items		$83,063,729
Total Recurring Increase Requested		**$483,404,355**
TOTAL RECURRING REQUEST FY2014		**$483,404,355**

Current Funds Revenues and Expenditures
University of Missouri System
Actual Revenues & Expenditures
FY2011

	General Operations	Other Unrestricted E&G	Auxiliary Operations	Hospital Operations	Total Unrestricted	Restricted Non-Grants	Grants & Contracts	Total Restricted	Total Current Funds
Revenues									
Tuition and Fees	622,753,105	48,234,574	-	-	670,987,679	7,506	424,058	431,564	671,419,243
Scholarship Allowance/Expense	(134,569,362)	(2,134,723)		-	(136,704,085)	(21,245,181)	(76,758,344)	(98,003,525)	(234,707,610)
Net Student Fees	488,183,743	46,099,851	-		534,283,594	(21,237,675)	(76,334,286)	(97,571,961)	436,711,633
State Appropriations	415,118,932	-	-	18,229,018	433,347,950	4,283,484	-	4,283,484	437,631,434
Federal Appropriations	21,222,964				21,222,964			-	21,222,964
Local Tax Revenue					-				-
Federal Grants and Contracts					-		195,803,066	195,803,066	195,803,066
Federal Pell Grants					-		57,951,060	57,951,060	57,951,060
State Grants and Contracts					-		53,059,350	53,059,350	53,059,350
Other Government Grants and Contracts					-		4,315,785	4,315,785	4,315,785
Other Grants & Contracts	25,000	78,599			103,599		66,921,576	66,921,576	67,025,175
Gift Revenues	1,528,251	5,375	11,158,404	-	12,692,030	38,795,729	13,946	38,809,675	51,501,705
Recovery of F & A/Indirect Costs (Administrative Allowance)	54,796,688				54,796,688		(54,734,649)	(54,734,649)	62,039
Endowment & Investment Income	66,179,059	8,055,534	901,296	20,600,816	95,736,705	38,097,425	58,080	38,155,505	133,892,210
Sales & Services/Net Auxiliary Revenue	42,668,233	3,208,848	495,275,224	616,485,102	1,157,637,407	160,751	19,650	180,401	1,157,817,808
Other Income	34,538,105	8,309,895	-		42,848,000	4,454,337	1,521,804	5,976,141	48,824,141
Total Revenues	**1,124,260,975**	**65,758,102**	**507,334,924**	**655,314,936**	**2,352,668,937**	**64,554,051**	**248,595,382**	**313,149,433**	**2,665,818,370**
Transfers	(12,086,152)	(69,892,704)	(55,896,086)	(49,546,580)	(187,421,522)	2,098,798	(5,269,146)	(3,170,348)	(190,591,870)
Total Revenues and Transfers	**1,112,174,823**	**(4,134,602)**	**451,438,838**	**605,768,356**	**2,165,247,415**	**66,652,849**	**243,326,236**	**309,979,085**	**2,475,226,500**
Expenditures									
Salaries & Wages	628,835,783	48,622,262	217,260,182	228,988,079	1,123,706,306	24,270,269	124,430,779	148,701,048	1,272,407,354
Benefit Expense	162,559,016	32,737,675	45,956,853	59,705,671	300,959,215	5,347,713	21,952,693	27,300,406	328,259,621
Total Compensation	791,394,799	81,359,937	263,217,035	288,693,750	1,424,665,521	29,617,982	146,383,472	176,001,454	1,600,666,975
Other Expenses	193,987,427	(57,940,868)	193,086,052	283,224,568	612,357,179	33,450,564	97,401,785	130,852,349	743,209,528
Total Expenditures	**985,382,226**	**23,419,069**	**456,303,087**	**571,918,318**	**2,037,022,700**	**63,068,546**	**243,785,257**	**306,853,803**	**2,343,876,503**
Change in Net Assets	**126,792,597**	**(27,553,671)**	**(4,864,249)**	**33,850,038**	**128,224,715**	**3,584,303**	**(459,021)**	**3,125,282**	**131,349,997**
Expenditures by Program Classification									
Instruction	484,031,924	31,842,548			515,874,472	28,938,846	15,266,215	44,205,061	560,079,533
Research	56,963,007	2,771,120			59,734,127	5,871,273	151,121,580	156,992,853	216,726,980
Public Service	51,329,109	5,227,695			56,556,804	14,995,379	71,765,093	86,760,472	143,317,276
Academic Support	117,582,858	4,877,855			122,460,713	5,134,966	179,832	5,314,798	127,775,511
Student Services	60,176,117	803,036			60,979,153	2,656,424	379,952	3,036,376	64,015,529
Institutional Support	117,601,317	(22,780,647)			94,820,670	2,729,826	437,233	3,167,059	97,987,729
Operation & Maintenance of Plant	97,697,894	677,462			98,375,356	388,495	850	389,345	98,764,701
Scholarships & Fellowships		-			-	1,657,711	4,557,492	6,215,203	6,215,203
Total E&G Expenditures	985,382,226	23,419,069	-		1,008,801,295	62,372,920	243,708,247	306,081,167	1,314,882,462
Auxiliaries			456,303,087		456,303,087			-	456,303,087
Hospitals				571,918,318	571,918,318	695,626	77,010	772,636	572,690,954
Total Expenditures by Program Classification	985,382,226	23,419,069	456,303,087	571,918,318	2,037,022,700	63,068,546	243,785,257	306,853,803	2,343,876,503

Current Funds Revenues and Expenditures
University of Missouri System
Actual Revenues & Expenditures
FY2012

	General Operations	Other Unrestricted E&G	Auxiliary Operations	Hospital Operations	Total Unrestricted	Restricted Non-Grants	Grants & Contracts	Total Restricted	Total Current Funds
Revenues									
Tuition and Fees	677,876,405	57,810,817	-	-	735,687,222	-	387,597	387,597	736,074,819
Scholarship Allowance/Expense	(149,528,098)	(4,119,375)		-	(153,647,473)	(22,014,634)	(75,516,414)	(97,531,048)	(251,178,521)
Net Student Fees	528,348,307	53,691,442	-		582,039,749	(22,014,634)	(75,128,817)	(97,143,451)	484,896,298
State Appropriations	384,734,932			10,027,734	394,762,666	2,866,389		2,866,389	397,629,055
Federal Appropriations	17,761,640				17,761,640			-	17,761,640
Local Tax Revenue					-				-
Federal Grants and Contracts					-		184,543,699	184,543,699	184,543,699
Federal Pell Grants					-		62,311,506	62,311,506	62,311,506
State Grants and Contracts					-		51,027,984	51,027,984	51,027,984
Other Government Grants and Contracts					-		4,809,309	4,809,309	4,809,309
Other Grants & Contracts	29,450				29,450	52,493	70,940,500	70,992,993	71,022,443
Gift Revenues	1,290,349	-	10,623,865	-	11,914,214	75,998,156	-	75,998,156	87,912,370
Recovery of F & A/Indirect Costs (Administrative Allowance)	53,892,653	-	-		53,892,653	9,688	(53,834,542)	(53,824,854)	67,799
Endowment & Investment Income	30,940,596	5,553,786	985,238	3,702,647	41,182,267	37,712,227	(16,758)	37,695,469	78,877,736
Sales & Services/Net Auxiliary Revenue	44,787,348	3,503,417	489,727,287	655,077,557	1,193,095,609	129,264	6,383	135,647	1,193,231,256
Other Income	37,947,733	7,327,861	-		45,275,594	5,329,462	1,525,632	6,855,094	52,130,688
Total Revenues	**1,099,733,008**	**70,076,506**	**501,336,390**	**668,807,938**	**2,339,953,842**	**100,083,045**	**246,184,896**	**346,267,941**	**2,686,221,783**
Transfers	(7,384,666)	(53,269,468)	(67,791,579)	(79,822,069)	(208,267,782)	(1,554,908)	(3,649,757)	(5,204,665)	(213,472,447)
Total Revenues and Transfers	**1,092,348,342**	**16,807,038**	**433,544,811**	**588,985,869**	**2,131,686,060**	**98,528,137**	**242,535,139**	**341,063,276**	**2,472,749,336**
Expenditures									
Salaries & Wages	656,030,713	51,143,197	229,983,841	234,833,175	1,171,990,926	24,850,990	121,950,978	146,801,968	1,318,792,894
Benefit Expense	177,015,936	30,230,713	49,522,420	72,896,265	329,665,334	5,841,392	24,025,634	29,867,026	359,532,360
Total Compensation	833,046,649	81,373,910	279,506,261	307,729,440	1,501,656,260	30,692,382	145,976,612	176,668,994	1,678,325,254
Other Expenses	215,427,991	(58,495,421)	186,360,908	293,962,942	637,256,420	30,015,809	96,288,375	126,304,184	763,560,604
Total Expenditures	1,048,474,640	22,878,489	465,867,169	601,692,382	**2,138,912,680**	**60,708,191**	**242,264,987**	**302,973,178**	**2,441,885,858**
Change in Net Assets	**43,873,702**	**(6,071,451)**	**(32,322,358)**	**(12,706,513)**	**(7,226,620)**	**37,819,946**	**270,152**	**38,090,098**	**30,863,478**
Expenditures by Program Classification									
Instruction	523,731,386	31,469,367			555,200,753	31,467,345	17,204,346	48,671,691	603,872,444
Research	60,975,687	2,401,351			63,377,038	5,675,123	141,372,483	147,047,606	210,424,644
Public Service	50,997,546	4,867,872			55,865,418	13,102,962	78,109,672	91,212,634	147,078,052
Academic Support	124,149,755	4,884,343			129,034,098	4,461,752	207,545	4,669,297	133,703,395
Student Services	65,719,336	740,378			66,459,714	1,493,298	403,099	1,896,397	68,356,111
Institutional Support	121,684,239	(21,281,137)			100,403,102	2,054,026	(17,425)	2,036,601	102,439,703
Operation & Maintenance of Plant	101,216,691	(203,685)			101,013,006	208,899	7,926	216,825	101,229,831
Scholarships & Fellowships		-			-	1,647,986	4,912,294	6,560,280	6,560,280
Total E&G Expenditures	1,048,474,640	22,878,489	-	-	1,071,353,129	60,111,391	242,199,940	302,311,331	1,373,664,460
Auxiliaries			465,867,169		465,867,169			-	465,867,169
Hospitals				601,692,382	601,692,382	596,800	65,047	661,847	602,354,229
Total Expenditures by Program Classification	1,048,474,640	22,878,489	465,867,169	601,692,382	2,138,912,680	60,708,191	242,264,987	302,973,178	2,441,885,858

Current Funds Revenues and Expenditures
University of Missouri System
Budgeted Revenues & Expenditures
FY2013

	General Operations	Other Unrestricted E&G	Auxiliary Operations	Hospital Operations	Total Unrestricted	Restricted Non-Grants	Grants & Contracts	Total Restricted	Total Current Funds
Revenues									
Tuition and Fees	714,135,669	50,479,584		-	764,615,253	-	200,000	200,000	764,815,253
Scholarship Allowance/Expense	(161,273,187)	(2,149,130)		-	(163,422,317)	(21,866,903)	(71,100,000)	(92,966,903)	(256,389,220)
Net Student Fees	552,862,482	48,330,454	-		601,192,936	(21,866,903)	(70,900,000)	(92,766,903)	508,426,033
State Appropriations	384,020,601			10,027,740	394,048,341	3,732,640		3,732,640	397,780,981
Federal Appropriations	14,706,529				14,706,529			-	14,706,529
Local Tax Revenue					-				-
Federal Grants and Contracts					-		180,700,000	180,700,000	180,700,000
Federal Pell Grants					-		62,250,000	62,250,000	62,250,000
State Grants and Contracts					-		49,600,000	49,600,000	49,600,000
Other Government Grants and Contracts					-		4,800,000	4,800,000	4,800,000
Other Grants & Contracts					-		69,150,000	69,150,000	69,150,000
Gift Revenues	1,112,484	1,500	10,320,500		11,434,484	33,241,771		33,241,771	44,676,255
Recovery of F & A/Indirect Costs (Administrative Allowance)	52,650,000	-	-		52,650,000	-	(52,650,000)	(52,650,000)	-
Endowment & Investment Income	24,219,421	5,386,470	764,373	3,006,000	33,376,264	37,574,122		37,574,122	70,950,386
Sales & Services/Net Auxiliary Revenue	43,194,914	3,358,015	510,324,457	669,656,135	1,226,533,521	134,757		134,757	1,226,668,278
Other Income	32,496,641	7,190,235	-		39,686,876	3,654,127	3,200,000	6,854,127	46,541,003
Total Revenues	**1,105,263,072**	**64,266,674**	**521,409,330**	**682,689,875**	**2,373,628,951**	**56,470,514**	**246,150,000**	**302,620,514**	**2,676,249,465**
Transfers	(7,118,975)	(47,877,900)	(58,011,510)	(67,240,800)	(180,249,185)	3,324,282	(2,413,734)	910,548	(179,338,637)
Total Revenues and Transfers	**1,098,144,097**	**16,388,774**	**463,397,820**	**615,449,075**	**2,193,379,766**	**59,794,796**	**243,736,266**	**303,531,062**	**2,496,910,828**
Expenditures									
Salaries & Wages	673,925,375	50,757,133	222,666,611	235,556,753	1,182,905,872	25,246,206	125,305,000	150,551,206	1,333,457,078
Benefit Expense	194,543,317	15,788,429	54,604,926	77,452,178	342,388,850	6,491,341	30,205,000	36,696,341	379,085,191
Total Compensation	868,468,692	66,545,562	277,271,537	313,008,931	1,525,294,722	31,737,547	155,510,000	187,247,547	1,712,542,269
Other Expenses	249,124,542	(63,719,107)	178,923,010	311,233,444	675,561,889	28,422,763	88,535,000	116,957,763	792,519,652
Total Expenditures	**1,117,593,234**	**2,826,455**	**456,194,547**	**624,242,375**	**2,200,856,611**	**60,160,310**	**244,045,000**	**304,205,310**	**2,505,061,921**
Change in Net Assets	**(19,449,137)**	**13,562,319**	**7,203,273**	**(8,793,300)**	**(7,476,845)**	**(365,514)**	**(308,734)**	**(674,248)**	**(8,151,093)**
Expenditures by Program Classification									
Instruction	562,709,623	23,871,212			586,580,835	30,262,038	15,616,000	45,878,038	632,458,873
Research	56,096,418	233,493			56,329,911	6,715,074	151,706,000	158,421,074	214,750,985
Public Service	54,787,517	2,482,371			57,269,888	12,901,565	70,809,000	83,710,565	140,980,453
Academic Support	136,453,567	3,769,757			140,223,324	4,853,414	157,000	5,010,414	145,233,738
Student Services	66,258,120	(68,818)			66,189,302	1,375,702	27,400	1,403,102	67,592,404
Institutional Support	127,562,323	(26,997,682)			100,564,641	1,358,532	124,000	1,482,532	102,047,173
Operation & Maintenance of Plant	113,725,666	(463,878)			113,261,788	170,837	6,000	176,837	113,438,625
Scholarships & Fellowships		-			-	1,770,970	5,280,000	7,050,970	7,050,970
Total E&G Expenditures	1,117,593,234	2,826,455	-		1,120,419,689	59,408,132	243,725,400	303,133,532	1,423,553,221
Auxiliaries			456,194,547		456,194,547			-	456,194,547
Hospitals				624,242,375	624,242,375	752,178	319,600	1,071,778	625,314,153
Total Expenditures by Program Classification	1,117,593,234	2,826,455	456,194,547	624,242,375	2,200,856,611	60,160,310	244,045,000	304,205,310	2,505,061,921

Core Programs

UNRESTRICTED EDUCATIONAL AND GENERAL

CORE BUDGET REQUEST ANALYSIS
FORM 4

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

CORE

The University of Missouri System's foremost priority in the FY2014 request for operations is the funding of its FY2013 core state appropriation of $398.0 million. While the University understands the demands on the state budget, it is critically important that the FY2014 core begin at $398.0 million.

MISSION STATEMENT

University of Missouri
The mission of the four –campus University of Missouri-- 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, service and economic development 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.

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 74,000 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 2011, the total enrollment was 73,565 with 18,629 of this number enrolled in graduate and professional programs. At that time, the full-time teaching and research staff numbered 5,332. In 2011-12, the campuses granted 16,515 degrees.

The Columbia campus offers academic programs through 14 schools and colleges. In fall 2011, the total enrollment was 33,762 with 7,770 of this number enrolled in graduate and professional programs. At that time, the full-time teaching and research staff numbered 3,130. In 2011-12, the campus granted 8,047 degrees. The Kansas City campus offers academic programs through 13 schools and colleges. Its fall 2011 total enrollment was 15,473, which included 5,351 graduate and professional students. The campus employed 1,290 full-time teaching and research staff. In 2011-12, the campus awarded 3,355 degrees. The Missouri S&T campus offers academic programs through 26 departments. In fall 2011, its total enrollment was 7,521 students, which included 1,850 enrolled in graduate programs. Full-time teaching and research staff numbered 377. In 2011-12, the campus awarded 2,035 degrees. The St. Louis campus offers academic programs through 8 schools and colleges, and had a fall 2011 total enrollment of 16,809, which included 3,658 graduate and professional students. The campus employed 533 full-time teaching and research staff and awarded 3,078 degrees in 2011-12.

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.

PROGRAM DESCRIPTION

Department of Higher Education
Program Name: University of Missouri
Program is found in the following core budget(s): University of Missouri - UMKC/MSU Doctor of Pharmacy Program

1. What does this program do?

The purpose of this funding is for UMKC to develop a satellite Doctor of Pharmacy program at Missouri State University. Once this infrastructure is solidified, the sustaining appropriation supports the additional personnel and distance education costs for the program. The staffing and distance education costs will be a part of UMKC's budget. 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.

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

UMKC Pharmacy is a component of the University of Missouri and falls under these statutes -Section 172.010 - 172.950.

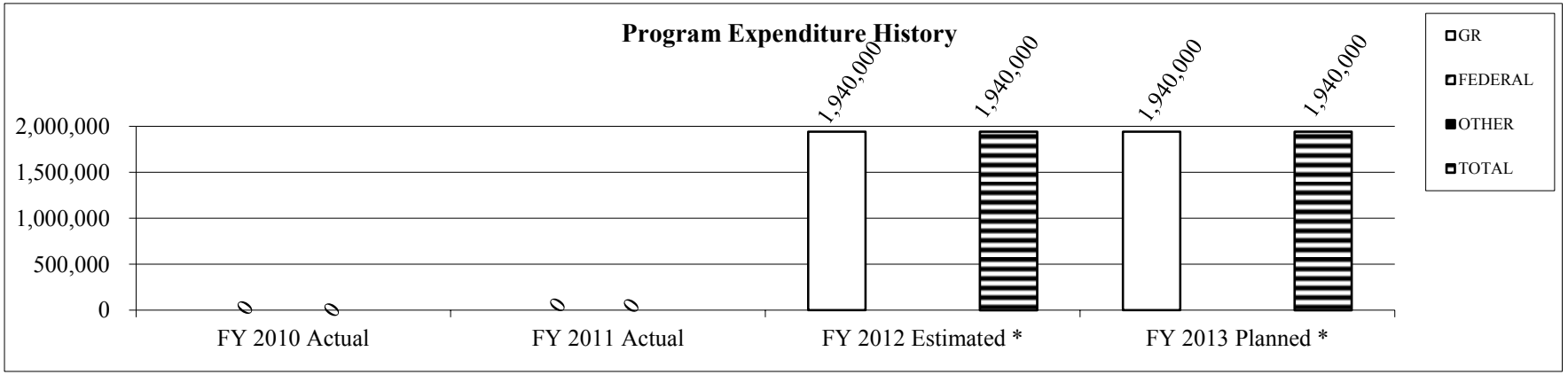
3. Are there federal matching requirements? If yes, please explain.

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: University of Missouri
Program is found in the following core budget(s): University of Missouri - UMKC/MSU Doctor of Pharmacy Program

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

N/A

7a. Provide an effectiveness measure.

Additional students admitted to joint program to increase the number of licensed pharmacists:

FY2011 Planned	FY2012 Planned	FY2013 Planned	FY2014 Planned	FY2015 Planned	FY2016 Planned	FY2017 Planned	FY2018 Planned
0	0	0	0	30	30	30	30

The Accreditation Council for Pharmacy Education (ACPE) will require approximately 2 years for full approval of our expansion prior to enrollment. When approved by ACPE, we will enroll the first class in the Fall of 2014. This will allow time for space renovation for distance education at MSU.

7b. Provide an efficiency measure.

Number of student graduates from joint pharmacy program:

FY2015 Planned	FY2016 Planned	FY2017 Planned	FY2018 Planned	FY2019 Planned	FY2020 Planned	FY2021 Planned
0	0	0	30	30	30	30

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

N/A

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

N/A

Department of Higher Education
Program Name: Missouri Federal and State Technology Partnership Program
Program is found in the following core budget(s): University of Missouri - MOFAST

1. What does this program do?

This item funds several counselors located across the state who provide counseling and educational offerings to early stage and growth businesses, including small technology businesses. The key focus is on identifying markets, developing new products and attracting equity capital to capture the opportunity to create and retain jobs in Missouri. One key focus is on attracting government research and development awards to Missouri small businesses for new product development. These counselors help Missouri small businesses seek out, apply for and win government Small Business Innovative Research (SBIR) awards that will provide grant money to develop and potentially commercialize innovations. The SBIR program was initiated in 1982 and has four goals: (1) stimulate technological innovation; (2) partner with small businesses to meet federal research and development needs; (3) encourage the participation of disadvantaged businesses and minority-owned firms in technological innovation; and (4) increase private sector commercialization derived from federal research and development funding. Awards of SBIR grants to Missouri small businesses help keep the technology and the proceeds from its commercialization in the state. MOFAST helps Missouri companies become aware and understand the process for preparing, pitching and winning seed and angel funding, including federal SBIR grants.

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

Missouri Small Business Development Center Fund established in 620.1001

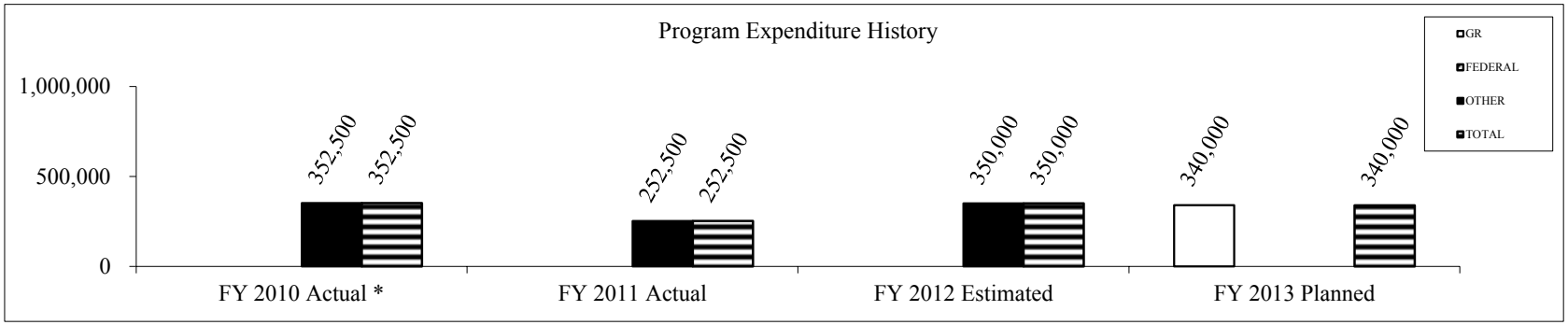
3. Are there federal matching requirements? If yes, please explain.

Yes, every state dollar is matched with $2 of federal and local match.

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 Actual Expenditures reflects spending restriction.

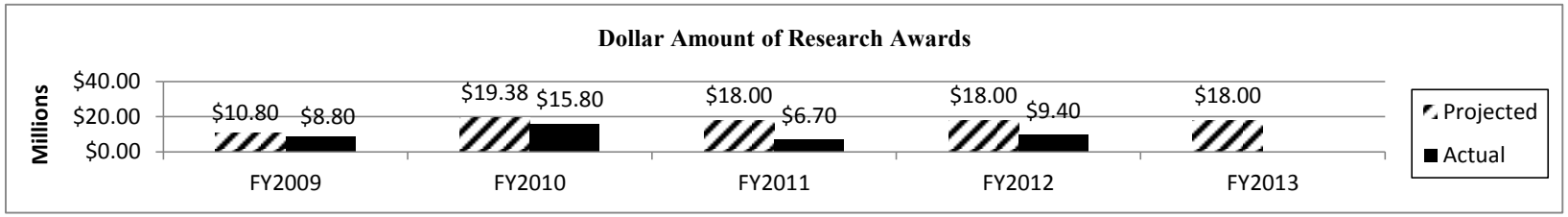
Department of Higher Education
Program Name: Missouri Federal and State Technology Partnership Program
Program is found in the following core budget(s): University of Missouri - MOFAST

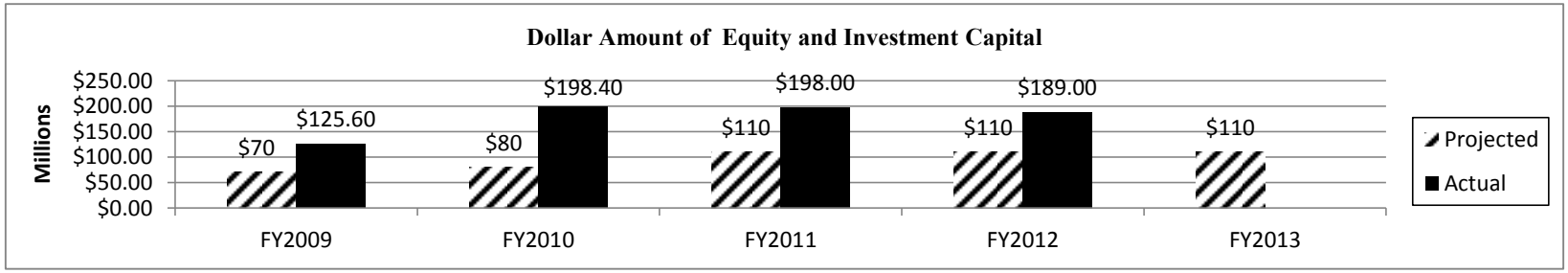
6. What are the sources of the "Other " funds?

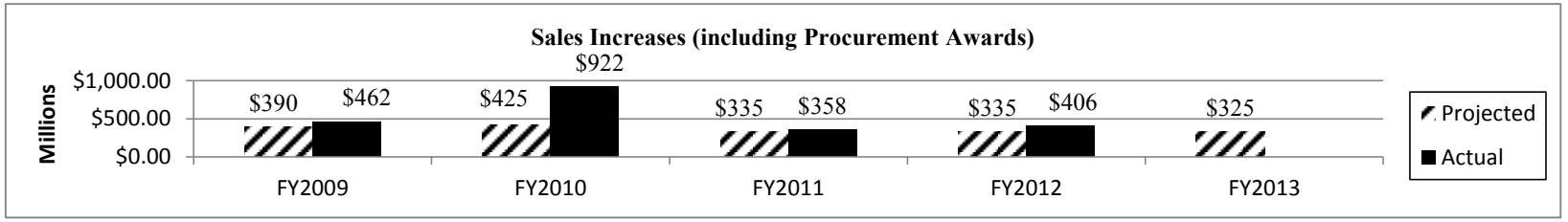
FY09 and FY10 - Missouri Small Business Development Center Fund
FY12 - Business Extension Service Team Fund (0280)

7a. Provide an effectiveness measure.

Note: The three effectiveness charts under 7a. Reflect clients of MOFAST, SBTDC, and PTAC System.

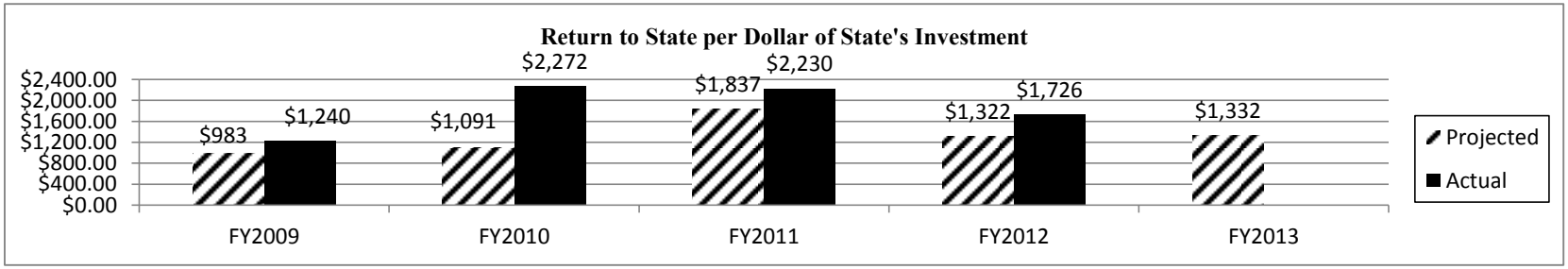




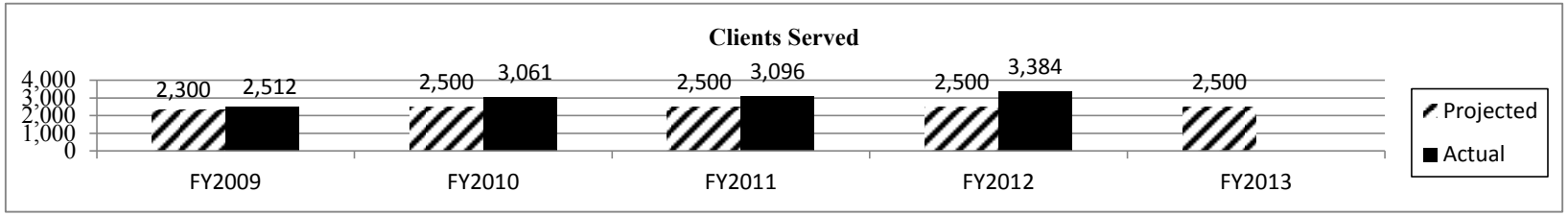


Department of Higher Education
Program Name: Missouri Federal and State Technology Partnership Program
Program is found in the following core budget(s): University of Missouri - MOFAST

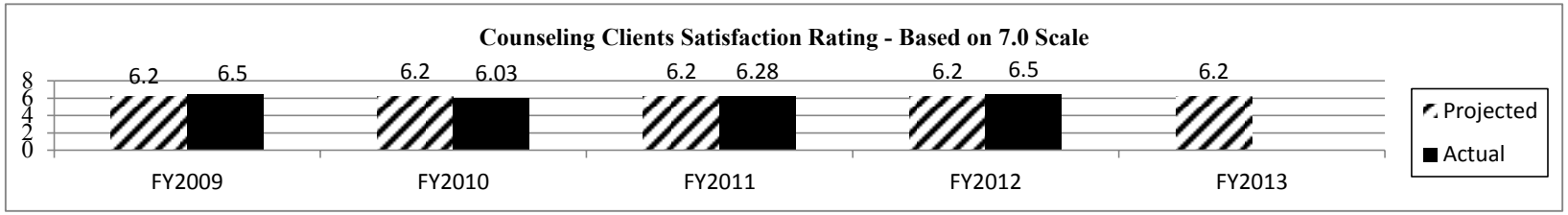
7b. Provide an efficiency measure.



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



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



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 for Core Operating Support: State Request $17,563,729**
Decision Item Rank: **1 of 3**

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University of Missouri System's foremost priority in the FY2014 request for operations is the funding of its FY2013 core state appropriation of $398.0 million. Following the core, our priority is to ensure quality and competitiveness and fulfill the university's missions of teaching, research, public service, and economic development. An increase in state support for the University of Missouri is critical to ensure continued accessibility and quality, cutting edge educational programs to educate more of the state's leaders of tomorrow. The University is educating 30% more students today, than it did ten years ago with the same level of state support, resulting in almost a 25% decline in state support per FTE student. Without increased investment by the state, the ability of the University to help the state meet its goals is at risk. The University is requesting an increase in core operating appropriations of $17.6 million. The request from the state would be coupled with University resources and tuition and fees.

Core Operating Support: Total Need: $41.1 million; State Request $17.6 million

The University is operating with the same level of state support that it received ten years ago even though over that time period it has added 17,000 in student enrollment, which translates into growth of 30%. In fact the cost per student to educate has decreased 1.4% in nominal dollars and 22% adjusted for inflation. We have been able to accomplish this through diligent stewardship of our resources. Over the last three years alone we have documented cost savings of $222 million as a result of business process improvements, academic program consolidation, position and energy conservation, travel reductions, workforce reductions, and cost deferments. In budgeting for FY2013, the university was able to reallocate $26 million to strategic priorities through similar actions.

These significant cost control measures cannot continue long-term without negatively impacting service levels. The requested increase in funding will help the university provide funding for investment in faculty and staff through merit based salary and wage increases, cover a portion of benefit cost increases and provide a small amount for equipment, technology, infrastructure, and other on-going costs including unfunded mandates and compliance.

As the state's only land-grant, doctoral-granting research institution, the university must recruit and retain faculty capable of doing cutting edge research and highly skilled staff focused on innovation, as well as provide faculty and students state-of-the art technology and infrastructure. These investments will be funded through a partnership between the state, the university, and the students. This request from the state for an additional $15.7 million would be coupled with $23.5 million from university resources and student fees.

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, over 31,800 employees and retirees that reside in the state pay approximately $46 million in state taxes; approximately $302 million in federal taxes and return $1.3 billion in salary and retirement income to the state. Over 228,000 University alumni still reside in the state contributing to the state and local economies through professional services such as veterinary medicine, dentistry and medical services in addition to starting and supporting companies working in all levels of professional service, management and support. Besides the four campuses, MU Extension Centers operate in 111 of the 114 counties.

The University is also requesting an increase in core operating appropriations to fund the final installment of the University of Missouri St. Louis equity adjustment identified by the 2002 Coordinating Board for Higher Education study. The FY2014 appropriation request of $1.9 million when added to funding provided in past years would reach the target need of $10.8 million.

II. DESCRIPTION

Core Operating Support: Total Need: $41.1 million; State Request $17.6 million

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: $32.8 million; State Request: $13.2 million

University employees are among the largest and highest value workforces in the state. With over 28,000 employees, the University is one of the largest nongovernmental employers in the state. The university is a people-driven institution. Three-fourths of the annual operating budget is devoted to compensation. Minimal or no salary increases in the last few years, coupled with continued 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 high quality faculty and staff. The total required investment to fund a 3 percent merit compensation pool for faculty and staff is $26.9 million. In addition, benefit cost increases of $5.9 are anticipated, which are driven by increased costs in health care and retirement and from the merit pool increase. The University is asking the state to fund a portion of this investment in our critical human capital. The remaining amount will be funded by the university through efficiencies, reallocations and other sources including tuition.

Other Mandatory On-Going Costs: Total Need: $6.4 million; State Request: $2.5 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 a small amount for equipment, technology, infrastructure, and other on-going costs including unfunded mandates and compliance. In addition this increase would provide an inflationary increase to the annual budgeted investment for maintenance and repair of educational and general facilities based on the Sightlines review of facilities. The total investment is $6.4 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, the University is requesting the state fund a 3.9 percent increase in the core budget, or $15.7 million of the $39.2 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 specialized 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.

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 targeted funding from the state for a total of $8.6 million. The FY2014 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.

In summary, we are requesting that the state invest an additional $17.6 million in increased operating support for the University in FY2014.

III. COST EXPLANATION

	State Appropriations
Core Operating Support	$15,700,000
St. Louis Equity Adjustment	1,863,729
Total Increase in State Appropriations	**$17,563,729**

IV. EVALUATION OF OUTCOMES

An adjustment to the university's core budget will permit the continuation of educational, research, and outreach programs, as well as economic development initiatives benefiting all citizens of Missouri and provides the funds needed to correct the equity funding gap in state appropriations for UMSL identified by the 2002 Coordinating Board for Higher Education study.

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

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: Increasing STEM Education and Research Capacity**: State Request $55,200,000**
Decision Item Rank: **2 of 3**

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University of Missouri as the state's land grant research University plays a critical role in supporting the state's economic growth and development and its national and international competiveness. Economic studies indicate that a state's future prosperity will rest on the extent to which its citizens have access to quality health care, its graduates are educated in the STEM disciplines, and research and innovation in STEM and healthcare disciplines are fostered. Key findings in the 2010 Missouri Gateway-Skills Report include an 11.1% increase in science-intensive jobs, a 4% increase in technology-intensive jobs, a 4.2% increase in engineering intensive jobs and a 3.2% increase in mathematics intensive jobs by 2018. According to the Missouri Department of Economic Development, currently the Top 10 current job openings and the Top 10 job growth between 2008 and 2018 are all in STEM and Health Professions occupations requiring bachelor's or higher degree completion.

The University is requesting a $55.2 million increase in core operating appropriations to fund these Advancing Missouri Competitiveness needs and support the Missouri Science, Technology, Engineering and Mathematics Initiative passed recently in SB563.

II. DESCRIPTION

For the Missouri economy to grow and flourish in the future, the state must have a technologically competent workforce and robust research and development activity. A recent Department of Commerce report says in the last 10 years the number of STEM jobs has increased three times as fast as those in other fields and this growth is expected to continue in the coming decade. Missouri will demand a total of 133,170 STEM jobs by 2018, up from 119,920 in 2008 and 92% of these jobs will require postsecondary education and training. Of the projected 133,170 jobs, 63% will require bachelor's or higher degree attainment.[1] The University of Missouri has a responsibility to the state for producing educated graduates to meet the workforce needs. This involves attracting, educating, and graduating students in science, technology, engineering, and math fields. To be successful in this regard, more quality STEM-educated teachers must be educated and retained at all levels of Missouri's public education system – elementary, middle school, junior high and high schools – as well as at the University; and these STEM specialty teachers must be available to school systems

[1] Georgetown University. Center on Education and the Workforce. "STEM State-Level Analysis." 20 October 2011.

throughout the state, not just in the urban and larger schools. In addition, to grow the University's contributions to research and development activity, the University must remain on the cutting edge of research by recruiting faculty who will drive new discoveries and innovations. This STEM focus is composed of four initiatives.

1. **Meeting the State's Workforce Needs in Science, Technology, Engineering, and Mathematics: State Request - $20.2 million**
   This request will provide funds for STEM faculty who are focused on student success; provide career enhancement for elementary and secondary teachers in math, science and engineering; support retention efforts for students in STEM disciplines; provide need-based scholarships and work-study funding for students in math, science and engineering and stipends for undergraduate research; provide stipends to STEM education students during the semester of student teaching, and loan forgiveness and stipends as incentives for STEM graduates to teach in elementary and secondary institutions; and support experiential youth programs focused on math, science and engineering. The table below shows three of our four campuses are behind peers on STEM degrees awarded.

Science, Technology, Engineering, and Mathematics Degrees & Certificates Granted.

		FY11	Peer Average
1	University of Missouri - Columbia	2,661	3,366
2	University of Missouri - Kansas City	1,229	1,662
3	Missouri University of Science & Technology	1,776	1,026
4	University of Missouri St. Louis	758	1,354

Source: University of Missouri Accountability Measurement System

This request for state funds includes:

a) $5.0 million to hire 50 STEM faculty who are focused on student success.

b) $9.68 million for retention efforts including month-long summer program to jumpstart success for 400 incoming freshmen, need-based grants for 800 students, work-study funds to help meet the needs of 800 low-income students, and stipends for 400 freshmen and sophomores to engage in undergraduate research as well as funds to run a center that consolidates services that enhance student success and salary for personnel to direct retention efforts.

c) $3.0 million for workshops and stipends for 200 elementary and 400 secondary teachers to help them develop innovative and engaging ways to teach in STEM areas.

d) $1.9 million to provide stipends for 200 STEM education students during their semester of student teaching, and for loan forgiveness and stipends as incentives to attract and retain 500 STEM graduates as teachers in elementary and secondary institutions.

e) $628,000 for experiential youth programs including summer camps for 160 6^{th}-9^{th} graders, and summer camps and weekend events for 600 10^{th} – 12^{th} graders.

2. **Science & Engineering Equipment: State Request - $2.0 million**
   Acquisition of cutting-edge science, engineering, and technology-based equipment is needed to update the University's science and engineering laboratories and to support the education of students enrolled in STEM disciplines. While legislation passed in 1985 recognizes the importance of

special equipment in the training of engineers and invites the University to request special appropriations based on the number of undergraduate engineer degrees awarded, the University has not received an appropriation for engineering equipment since 2002. The need for updated equipment in STEM disciplines is ongoing and requires recurring funding. This is such a critical need we are requesting a $2.0 million recurring appropriation.

3. **Sustain STEM Enrollment Growth: State Request - $16.6 million**
   From Fall 2000 to Fall 2011, enrollment in the STEM disciplines accounts for 52% of the enrollment growth at the University. As a result, class sizes and student advising responsibilities have increased to a point that educational quality and faculty research productivity in the STEM disciplines are at risk. This request for $16.6 million would provide support for enrollment growth in STEM areas and is based on the DHE approved COPHE funding formula.

4. **Improve STEM Infrastructure: Total need identified $32.8 million, 1st year of 2 year request: State Request - $16.4 million**
   Protecting our infrastructure is a critical investment especially in STEM related facilities. The total need of the University in additional required investment to meet best practices is $57.4 million. Of this amount 57 percent is related to facilities and infrastructure which directly support STEM disciplines. In order to educate the growing number of students enrolling in STEM disciplines, the classrooms and laboratories must be renovated to accommodate state of the art teaching. We are requesting the State provide funding of $16.4 million, the first year of a two-year request, to meet this critical need.

In summary, we are requesting that the state participate in funding $55.2 million for these efforts in FY2014.

III. COST EXPLANATION

	State Appropriations
Increasing STEM Education and Research Capacity	$55,200,000
Total Increase from State Appropriation	**$55,200,000**

IV. EVALUATION OF OUTCOMES

- Sustain increased enrollment in STEM areas to supply Missouri workforce needs
- Provide appropriate equipment and facilities for educating future STEM workers

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 – Phase 2: $10.3 million**
Decision Item Rank: **3 of 3**

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The State of Missouri has a growing shortage of health care professionals affecting the quality of care and access to care, and its higher education institutions have limited capacity for expanding educational opportunities. The University of Missouri is responsible to the State for providing access to quality educational experiences for Missouri's future health care providers. Economic development and well-being in Missouri depends on a healthy workforce. In turn, a healthy workforce depends on access to quality care delivered by qualified health professionals. This request is targeted at addressing access to care by increasing the health care professionals graduating from the University.

In FY2010, as part of the statewide Caring for Missourians program to address the shortage in educational capacity in this critically important area, the University received a one-time appropriation of $24.3 million out of a total $34 million appropriation to higher education for this purpose. These resources were used to expand program capacity in the University's health profession educational programs including medicine, pharmacy, dentistry, optometry, nursing, and health professions. As a result, 42 temporary seats were added for medical students; 44 temporary seats in pharmacy; 15 temporary seats in dentistry; 12 temporary seats in optometry; 132 temporary and 26 permanent seats in nursing; and 48 temporary and 22 permanent seats in health professions. It was not possible to add a greater number of permanent seats due to the non-recurring nature of the state support provided, and the lack of continuing support for the permanent seats creates additional financial stress on under-funded degree programs.

II. DESCRIPTION

Recurring funding will enable UM institutions to sustain and increase their annual production of physical therapists, occupational therapists, specialists in communication disorders, respiratory therapists, ultrasonic technicians, radiology technicians, nurses, dentists, and optometrists. The increase in production for each profession will be determined according to the formula established for Caring for Missourians Phase 1 but we estimate the annual production of health care professionals by the following increments: physical therapists by 10; occupational therapists by 5; specialists in communication and disorders by 15; respiratory therapists by 5; ultrasonic and radiology technicians by 5; nurses by more than 70; dentists by 6; and optometrists by 6. This request does not include additional recurring funding for medicine or pharmacy. Other funding options are being considered for the medical school such as the potential cigarette tax increase. The UMKC School of Pharmacy began receiving a recurring line item appropriation in FY2012.

The University of Missouri has increased the number of student seats on a temporary basis in health professions and temporarily increased access to quality health professional education. Specifically, the University of Missouri requests funding for our health professional education programs at the University of Missouri-Columbia (MU), 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.

III. COST EXPLANATION

	State Appropriations
Increasing Caring for Missourians – Phase 2	$10,300,000
Total Increase from State Appropriation	**$10,300,000**

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.

Dentist Education

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

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.

Other Programs

FY2014 APPROPRIATIONS REQUEST FOR OPERATIONS

SUMMARY OF OTHER PROGRAM REQUESTS

UNIVERSITY OF MISSOURI SYSTEM

	STATE APPROPRIATED FUNDS	NON-STATE FUNDS	TOTAL FUNDS
Missouri Rehabilitation Center	$10,777,870	$24,299,329	$35,077,199
Missouri Kidney Program	$2,969,918		$2,969,918
Missouri Research and Education Network (MOREnet)	$573,279		$573,279
Missouri Telehealth Network	$452,459		$452,459
Alzheimer's Program	$464,640		$464,640
Spinal Cord Injury Fund	$1,500,000		$1,500,000
State Seminary Fund	$4,275,000		$4,275,000
Missouri Returning Heroes Education Act	$1,897,746		$1,897,746
State Historical Society of Missouri	$1,917,707	$699,574	$2,617,281

University of Missouri
Missouri Rehabilitation Center
Program Revenues & Expenditures

	FY11 Actuals	FY12 Estimated	FY13 Budget	FY14 Increase	FY14 Total Core Request
Revenues					
State Appropriation	$ 10,337,870	$ 10,337,870	$ 10,337,870	$ 440,000	$ 10,777,870
Net Patient Revenues	16,708,469	14,628,453	16,385,452	-	16,385,452
Federal Reimbursement Allowance	8,492,603	7,908,513	6,151,514	-	6,151,514
Other Revenues	1,736,350	1,780,952	1,762,363	-	1,762,363
Total Revenues	**$ 37,275,292**	**$ 34,655,788**	**$ 34,637,199**	**$ 440,000**	**$ 35,077,199**
Transfers	-	-	-	-	-
Total Revenues and Transfers	**$ 37,275,292**	**$ 34,655,788**	**$ 34,637,199**	**$ 440,000**	**$ 35,077,199**
Expenditures					
Salaries & Wages	$ 17,738,796	$ 17,152,930	$ 16,268,671	$ 162,687	$ 16,431,358
Benefit Expense	4,797,077	5,099,200	5,248,167	53,687	5,301,854
Total Compensation	**$ 22,535,873**	**$ 22,252,130**	**$ 21,516,838**	**$ 216,374**	**$ 21,733,212**
Other Expenses	14,739,419	12,403,658	13,120,361	223,626	13,343,987
Total Expenditures	**$ 37,275,292**	**$ 34,655,788**	**$ 34,637,199**	**$ 440,000**	**$ 35,077,199**
Change in Net Assets	-	-	-	-	-

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. 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.

2. Program History

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 88% 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.

3. What does this program do?

The Missouri Rehabilitation Center (MRC) is a 63-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 88 percent of MRC's patient charges are with self pay patients or patients with governmental payors (Medicare, Medicaid, Veterans Administration).

4. 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.

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

No

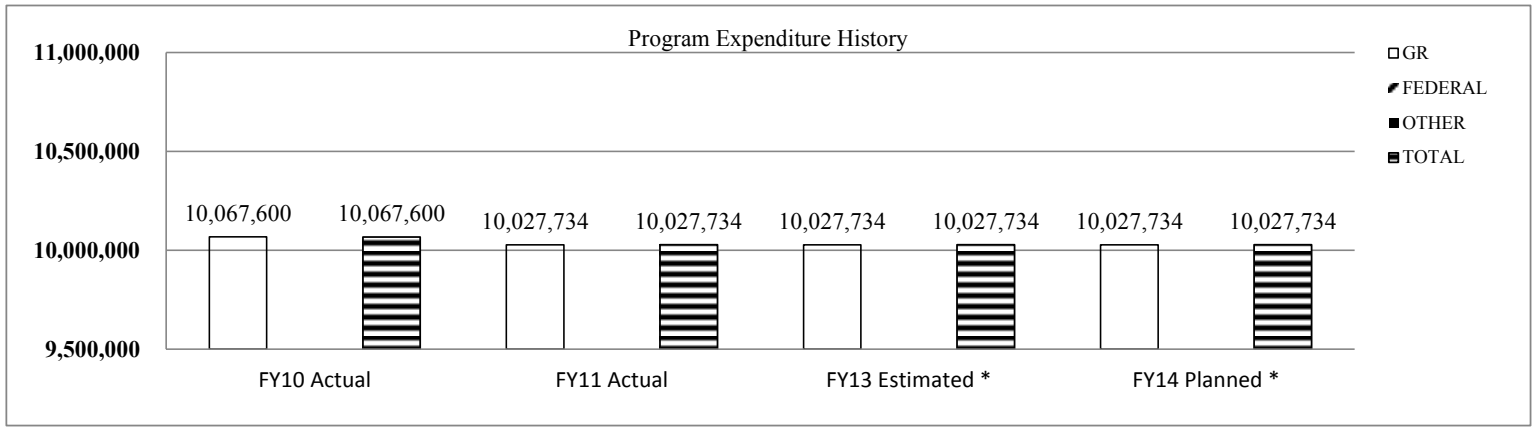
6. Is this a federally mandated program? If yes, please explain.

No

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

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



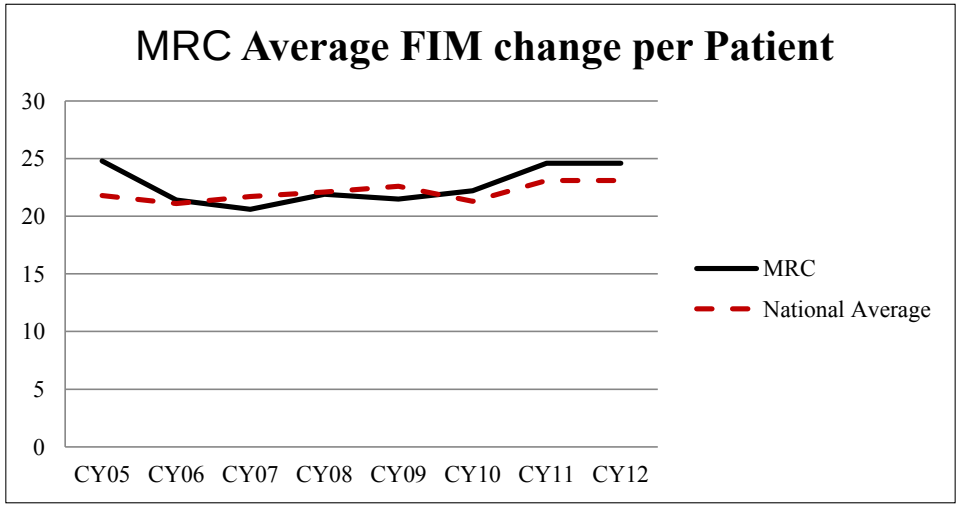
* Net of Governor's 3% Withholding

8. 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.

9a. Provide an effectiveness measure.

The clinical effectivenss of rehabilitation units like MRC may be measured by using the 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. MRC's onset to admission average was 49 days for this annual report. The National Average was 18. 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 recovery would be lower than average. However, MRC continues to be at or above in most instances.

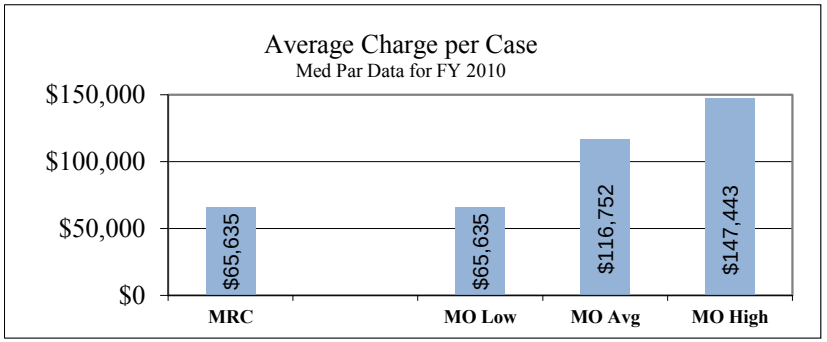


PROGRAM DESCRIPTION

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

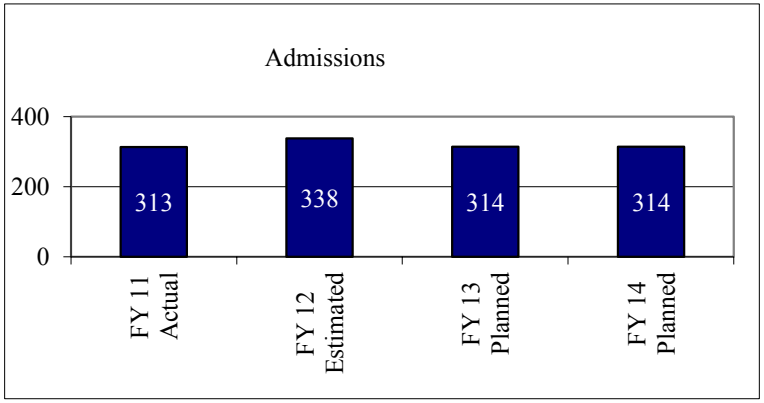
9b. Provide an efficiency measure.

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 2010's Med Par data (a database of Medicare claims), we can compare average charge per case with other similar hospitals.



9c. Provide the number of clients/individuals served, if applicable.

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

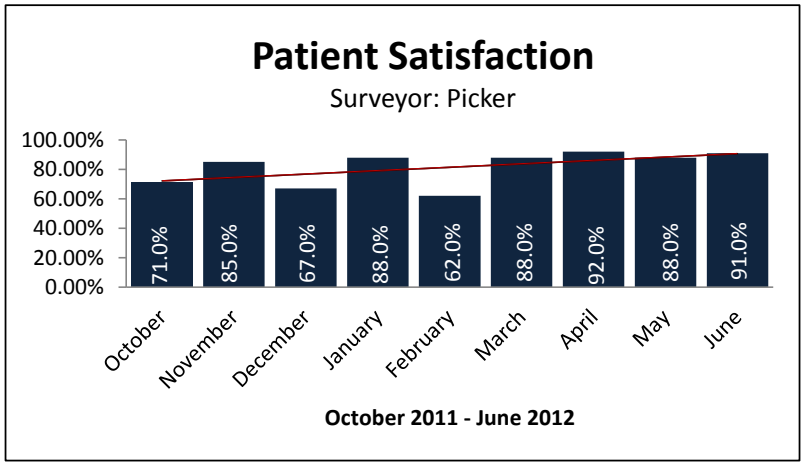


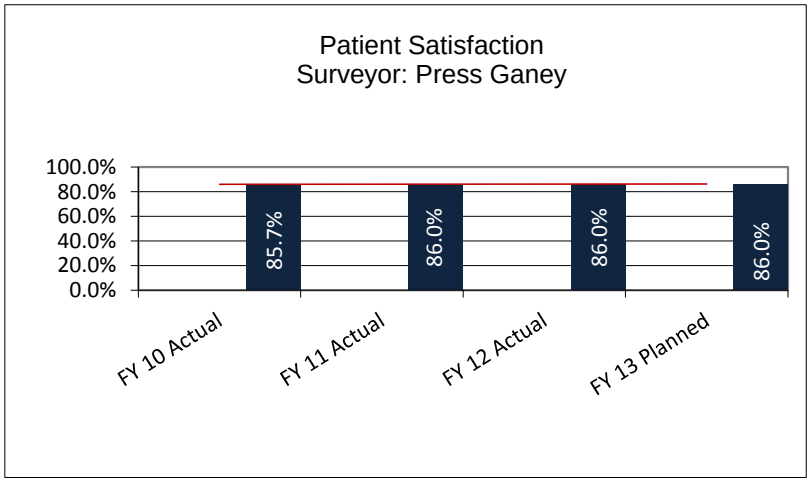
PROGRAM DESCRIPTION

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

9d. Provide a customer satisfaction measure, if available.

In FY2012 we changed our Patient Satisfaction surveyor from Press Ganey to Picker. Both graphs are being presented for a comparison of historical trend to current trend. Do not compare the scores between graphs. The numbers are not comparable between surveyors because of the differences between the surveyors measures. Note: The closer the score to 100%, the better the patient rated their hospital experience.





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: **Increase for Sustaining Quality and Service: $440,000**
Decision Item Rank: **1 of 1**

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to provide an increase for sustaining quality and service at the Missouri Rehabilitation Center.

The Missouri Rehabilitation Center (MRC) is a 63-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. Further reengineering resulted in MRC covering operating and capital costs for FY 2010-FY 2012. In FY2013 MRC is challenged with reductions in Federal Reimbursement Allowance (FRA) and cuts in Federal Medical Assistance Percentages (FMAP) programs, combined with the need to address $1.0 million in facility improvements to meet regulations. In addition, 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. Without the $10.0 million core appropriation, MRC would have a projected $11.8 million operating loss in FY2013. To continue at the current level of operations in 2014, MRC will require continuation of the $10 million state appropriation and a $440,000 adjustment in state support to cover mandatory cost increases.

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, an increase in state appropriations is critical to operations. 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 $30 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 increase for sustaining quality and service. In addition, significant facility improvements are needed at this facility.

The patient base for the MRC is 88 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 and cuts in Federal Medical Assistance Percentages (FMAP) programs, which supplement Medicaid and uncompensated care make state support necessary for operations to continue.

This request includes a $440,000 increase for sustaining quality and service, but does not address critical facility investment needs.

III. COST EXPLANATION

MRC Increase for Sustaining Quality and Service	$440,000
Total Increase from State Appropriation	**$440,000**

University of Missouri
Missouri Kidney Program
Program Revenues & Expenditures

	FY11 Actuals	FY12 Estimated	FY13 Budget	FY14 Restoration of Core	FY14 Increase	FY14 Total Core Request
Revenues						
State Appropriation	$ 2,793,890	$ 1,455,000	$ 1,500,000	$ 1,380,299	$ 89,619	$ 2,969,918
Total Revenues	**$ 2,793,890**	**$ 1,455,000**	**$ 1,500,000**	**$ 1,380,299**	**$ 89,619**	**$ 2,969,918**
Transfers	-	-	-		-	-
Total Revenues and Transfers	**$ 2,793,890**	**$ 1,455,000**	**$ 1,500,000**	**$ 1,380,299**	**$ 89,619**	**$ 2,969,918**
Expenditures						
Salaries & Wages	$ 383,916	$ 232,181	$ 227,717	$ 58,240	$ 8,579	$ 294,536
Benefit Expense	102,495	58,594	66,701	17,758	5,744	90,203
Total Compensation	**$ 486,411**	**$ 290,775**	**$ 294,418**	**$ 75,998**	**$ 14,323**	**$ 384,739**
Other Expenses	2,307,479	1,164,225	1,205,582	1,304,301	75,296	2,585,179
Total Expenditures	**$ 2,793,890**	**$ 1,455,000**	**$ 1,500,000**	**$ 1,380,299**	**$ 89,619**	**$ 2,969,918**
Change in Net Assets	-	-	-	-	-	-
Note: Additional Details on Above Expenditures						
Compensation	$ 486,411	$ 290,775	$ 294,418	$ 75,998	$ 14,323	$ 384,739
Other Expenses						
Administrative Operations	$ 33,724	$ 23,390	$ 18,841	$ -	$ 565	$ 19,406
Statewide Renal Education (Operations)	39,941	25,737	40,000	100,000	4,200	144,200
Maintenance & Antirejection Drugs	445,852	290,680	356,741	100,000	13,702	470,443
Transportation Assistance*	(60,980)	(48,893)	200,000	400,000	18,000	618,000
Insurance Premium Assistance	371,791	37,446	62,500	37,500	3,000	103,000
Emergency Medications	1,766	82	0	5,000	150	5,150
Patient/Staff Education	23,297	22,337	20,000	30,000	1,500	51,500
Transplant/Donor Assistance	8,850	10,550	10,000	40,000	1,500	51,500
Nutritional Supplements Program	12,826	0	0	50,000	1,500	51,500
Medicaid Spenddown	1,359,070	758,341	445,000	525,301	29,109	999,410
Ticket To Work	26,753	23,658	30,000	0	900	30,900
Cost Containment Research & Demonstration	44,588	20,897	22,500	16,500	1,170	40,170
Total Expenditures	**$ 2,793,890**	**$ 1,455,000**	**$ 1,500,000**	**$ 1,380,299**	**$ 89,619**	**$ 2,969,918**

* Net after Centers for Medicare and Medicaid Services matching funds

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. Mission Statement

The mission of the Missouri Kidney Program (MoKP) is to help meet the educational needs, and to promote the physical and mental well-being of eligible Missouri residents with Chronic Kidney Disease (CKD). In order to accomplish the above mission, the Missouri Kidney Program is committed to the following goals:

- To advocate for policies that ensure no Missourian is denied treatment for kidney failure because of inability to pay.
- To provide financial help to eligible Missourians to defray the in-direct medical expenses related to CKD Stage 5:
  - Benefits range from medications, transportation, and insurance premium assistance depending on our available funding.
- To provide and support the CKD education of Missourians:
  - To promote public awareness and prevention of CKD.
  - To help choose a treatment for kidney failure and to encourage active participation in their medical care.
  - To provide continuing education seminars to the professional disciplines working with the CKD population.
- To increase public awareness of the need for organ donation, and to encourage kidney donations for transplantation.
- To collaborate with other organizations on efforts to prevent kidney disease.
- To promote efforts to delay or avoid the onset of kidney failure for those who have CKD which will reduce associated cost of care.
- To foster the exchange of medical, technical and administrative information among programs and professionals who treat people with CKD.

2. Program Description

A. Functions

The MoKP carries out the following programs to accomplish the mission and goals stated above: (1) provision of funds to assist eligible patients with other expenses related to their care (take-home drugs, insurance premiums, etc.); and (2) 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.

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

3. 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. The expense of treatment is staggering. The per person per year Medicare cost is $82,285 for hemodialysis, $61,588 for peritoneal dialysis, and $29,983 for transplant. 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 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 10,522 CKD patients in Missouri, MoKP is able to provide assistance to only approximately 14 percent of CKD patients. 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.

4. 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

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

No

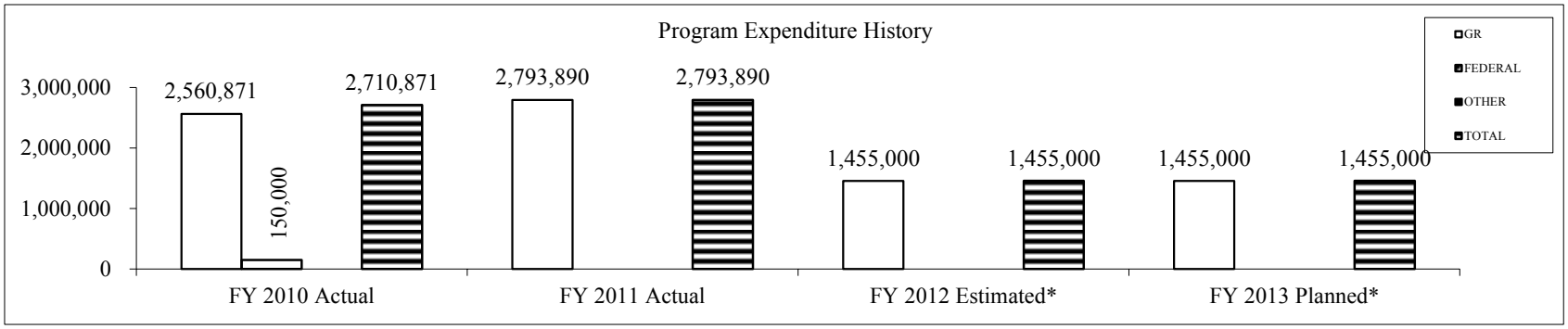
6. Is this a federally mandated program? If yes, please explain5

No

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

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



* Net of 3% Governor's withholding

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

None

8a. Provide an effectiveness measure.

MoKP effectiveness is measured by the number of dollars of the appropriation going to reimburse patient care and educational activities. MoKP expends about 77% of its appropriation for patient care related activities. The remaining 23% is spent on patient education classes and administrative costs.

FY 09		FY 10		FY 11		FY 12		FY 13 Projected		FY 14 Projected	
Patient Exp	Total Exp	Patient Exp	Total Exp	Patient Exp	Total Exp	Patient Exp	Total Exp	Patient Exp	Total Exp	Patient Exp	Total Exp
$3,004,385	$3,701,457	$2,098,828	$2,710,871	$2,233,813	$2,793,890	$1,115,098	$1,455,000	$1,120,350	$1,455,000	$1,153,961	$1,498,650

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

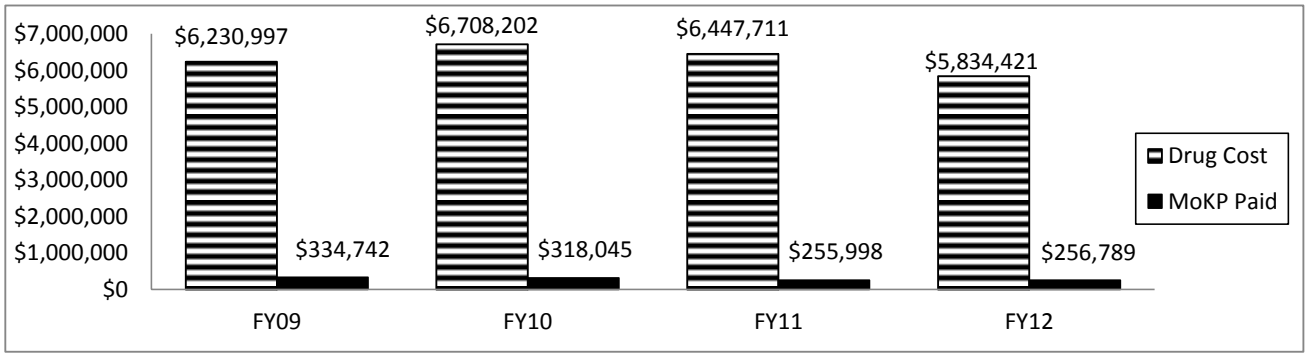
The average dollar value of assistance (unit cost) provided to MoKP eligible patients during FY2012 was $769 and is detailed below.

Type of Assistance	Number of Patients	Unit Cost $
Maintenance & Anti-rejection Drugs	1,412	206
Transportation	83	89
Insurance Premiums	28	1,337
Emergency Medications	1	82
Transplant Donor Assistance	15	703
Nutritional Supplements	0	0
Medicaid Spend Down	661	1,147
Ticket to Work	47	503
Unduplicated Patients Served/Average Unit Cost	1,467	$769

8b. 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's 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. MoKP works hard to ensure patients maintain their insurance coverage and finds the best plan for their medication needs. The data below summarizes actual expenditures for the past four years based on dispense date.

FY 09		FY 10		FY 11		FY 12	
Drug Cost	MoKP Paid	Drug Cost	MoKP Paid	Drug Cost	MoKP Paid	Drug Cost	MoKP Paid
$6,230,997	$334,742	$6,708,202	$318,045	$6,447,711	$255,998	$5,834,421	$256,789



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

8c. 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 direct patient assistance programs. We have maximized our patient service delivery capabilities by micromanaging our current appropriation level. There are 10,522 dialysis and kidney transplant patients in the State of Missouri and over 2,000 patients each year are newly diagnosed with Chronic ESRD in Missouri alone. MoKP can barely assist 14% of this population. The need far exceeds the level of appropriation that has been available. Currently there are 153 certified participating renal facilities contracted with MoKP. Data provided from CY2011 Network 12 and United Network for Organ Sharing.

FY08	FY09	FY10	FY11	FY12	FY13 Proj	FY14 Proj
2,563	2,491	2,338	1,895	1,467	1,540	1,617

8d. Provide a customer satisfaction measure, if available.

MoKP conducts a Patient Satisfaction Analysis program. 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 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. A summary of customer satisfaction indicates a high appreciation of the services MoKP provides. The results are reviewed by our Advisory Council yearly. 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.

	FY08	FY09	FY10	FY11	FY12
Questionnaires Received	96	89	94	52	154
Questionnaires Mailed					359

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: $1,469,918**
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 $1,380,299 core cut in FY2012 and an increase of $89,619 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 7,060 End-Stage Renal Disease (ESRD) dialysis patients throughout Missouri. There are 3,462 kidney transplant patients in Missouri, totaling 10,522 patients. Unfortunately, due to the FY2012 budget cuts MoKP can only assist 14% of this population. With the growing trend in Missouri of diabetes, obesity, hypertension, and the elderly population, renal disease is increasing. In calendar year 2011, there were 2,090 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 its FY2012 core appropriation so MoKP can fulfill its mission of providing direct patient assistance to chronic ESRD patients, education and research. With the 48% reduction in the FY2012 appropriation, MoKP has had to completely terminate direct patient assistance such as Nutritional Supplements, Medication Co-Pay Assistance, Medicare Premium Assistance, and Transportation. MoKP has also reduced the Private Premium assistance, Transplant Assistance grants, the MO HealthNet Spenddown program, and the Eligibility Income/Asset guidelines. In addition, MoKP re-directed all MO HealthNet patients to the states Non- Emergency Medical Transportation program, shifting an additional financial burden to the state.

FY2013 will bring another factor into the needs of the near poor kidney patients in Missouri. There has been a change in the MO HealthNet Spend Down Program which drastically affects chronic patients. MoKP is concerned dialysis and transplant patients will have larger gaps of no insurance coverage affecting

their access to medications, medical care and transportation to and from life sustaining treatments. MoKP anticipates a drastic need for transportation to dialysis, and plans to allocate limited funds to this cause. However this will decrease funding in other direct patient assistance programs.

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. They have also had to discontinue outreach screening collaboration and community education with the National Kidney Foundation.

In addition, the 48% reduction of funding reduced the program's educational efforts which were 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 and educate healthy kidney patients, who can remain employed, plus enjoy an active and productive quality of life. Recent budget reductions, limit the number of Missourians that can be supported.

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III. COST EXPLANATION

Restoration of Core Funding	$1,380,299
Increase for Sustaining Quality and Service	89,619
Total Increase from State Appropriation	**$1,469,918**

Missouri Kidney Program
FY2012 Patient Assistance
(by county)

Dollars (Patients)

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL
FORM 5

Department: Higher Education Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Research and Education Network (MOREnet)
Decision Item Name: Rural Initiative for K-12 and Higher Education Circuit and Shared Network Costs: $573,279
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

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. MOREnet has historically used their state 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.

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. The purpose for this request is to fund a portion of the Shared Network for K-12 and higher education communities.

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. The purpose of the request is to fund K-12 and higher education circuit costs above MOREnet's megabyte median.

The funding requested will ensure that all MOREnet members pay connectivity costs that are comparable to those in Missouri urban areas. Implementing these changes will help to create parity in rates throughout the state. MOREnet has worked to contain costs through administrative efficiency, competitive bidding, and innovative technological solutions. However, some rural or underdeveloped K-12 and higher education communities still lack affordable connectivity options compared to other communities in Missouri. Failure to provide financial assistance to K-12 and higher education members that experience higher-than-average telecommunications costs will lead to inequality in telecommunication fees and reduced connectivity for those members.

II. DESCRIPTION

MOREnet members who pay more than the cost per megabyte median for their program will be covered by the funding. The cost per megabyte median will be used because it allows for an emphasis on smaller underserved K-12 and higher education communities to benefit from the funding. For higher education sites, the Shared Network and connections cost median is $841 per megabyte. For K-12 sites, the Shared Network and connections cost median is $907 per megabyte. There are 269 MOREnet member locations that pay more than the median for Shared Network and connections costs.

III. COST EXPLANATION

Based on April 2012 circuit cost and FY2013 preliminary budget for network connectivity costs, the funding would assist:

- 35 higher education's sites for a total cost of $260,347
- 234 K-12's sites for a total cost of $312,932

RECURRING FUNDS

PCS	FTE	Compensation	E&E	Total
Instruction				
Research				
Public Service	1.50	$95,581	$477,698	$573,279
Academic Support				
Student Services				
Institutional Support				
Operation & Maintenance of Plant				
Scholarships & Fellowships				
Total Improvements				**$573,279**

From State Appropriations **$573,279**

IV. EVALUATION OF OUTCOMES

Affordable connectivity for Missouri's K-12 and higher education communities will allow member students and faculty access to the basic needs of the education community for routine research and access to content to supplement outdated textbooks. Demand for capacity has grown steadily as schools have begun to depend on Internet connectivity to enhance and facilitate classes and other services. Adequate connectivity is necessary to continue to support the significant educational advancements enabled by educational resources -- tools such as class delivery by video, online information resources, Web resources and research tools, and virtual field trips. These educational tools are particularly important for K-12 students who may not have access to classes or facilities due to illness, disabilities, rural locations, under-resourced school districts, etc., and for working adults who would not be able to pursue higher educational opportunities without courses and degree programs enabled by the Internet.

University of Missouri
Missouri Telehealth Network
Program Revenues & Expenditures

	FY11 Actuals		FY12 Estimated	FY13 Budget	FY14 Increase	FY14 Total Core Request
Revenues						
State Appropriation	$ 589,351	*	$ 437,640	$ 437,640	$ 14,819	$ 452,459
Total Revenues	**$ 589,351**		**$ 437,640**	**$ 437,640**	**$ 14,819**	**$ 452,459**
Transfers	-		-	-	-	-
Total Revenues and Transfers	**$ 589,351**		**$ 437,640**	**$ 437,640**	**$ 14,819**	**$ 452,459**
Expenditures						
Salaries & Wages	$ 284,930		$ 190,926	$ 190,926	$ 5,728	$ 196,654
Benefit Expense	67,729		46,423	56,514	5,550	62,064
Total Compensation	**$ 352,659**		**$ 237,349**	**$ 247,440**	**$ 11,278**	**$ 258,718**
Other Expenses	236,692		200,291	190,200	3,541	193,741
Total Expenditures	**$ 589,351**		**$ 437,640**	**$ 437,640**	**$ 14,819**	**$ 452,459**
Change in Net Assets	-		-	-	-	-

* FY11 includes one time Federal Stabilization grant funds for equipment.

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. 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.

2. Program History

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.

3. 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, i.e.. 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.

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.

The Missouri Telehealth Network currently has 210 sites statewide in 67 counties and the City of St. Louis. In 2012, 69 medical professionals in 20 specialties conducted more than 26,577 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.

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

4. 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.

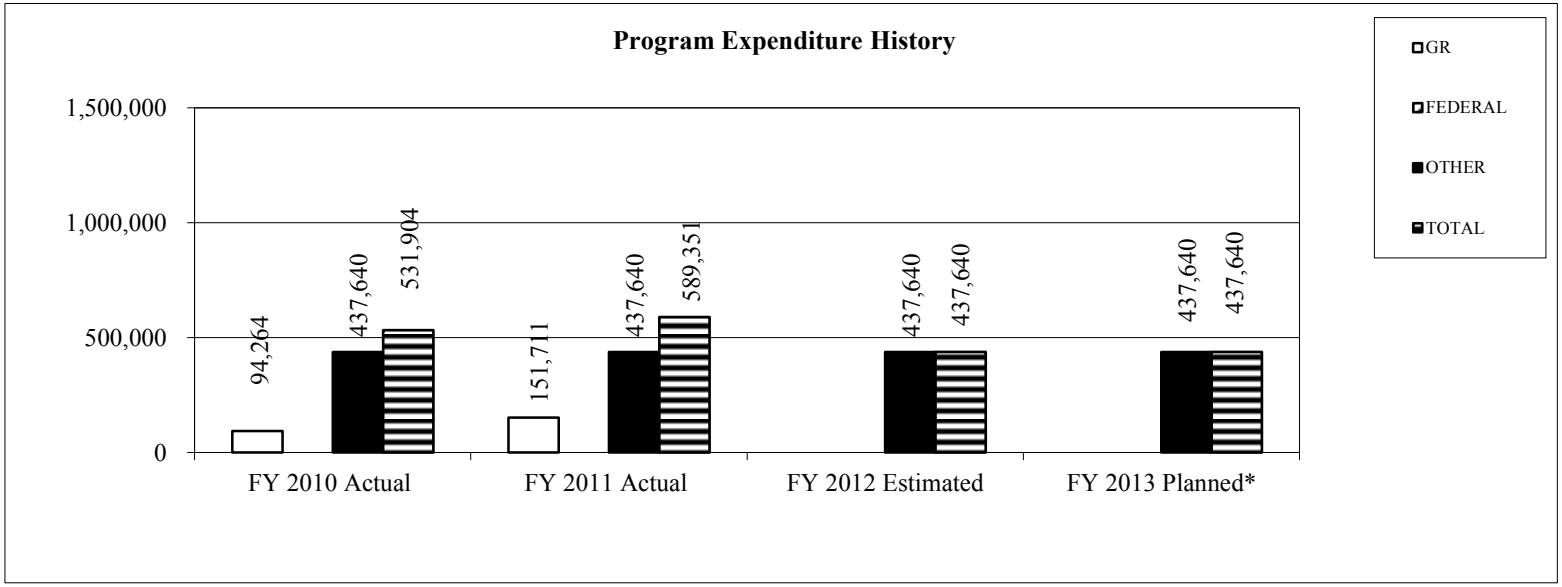
5. Are there federal matching requirements? If yes, please explain.

No federal matching requirements.

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

This is not a federally mandated program.

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



* Net of Governor's 3% Withholding

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

7. 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.

8a. Provide an effectiveness measure.

Between July, 2011 and June, 2012 approximately two thousand round trips from rural areas of Missouri to University of Missouri specialists' clinics were avoided resulting in saved fuel costs of over $138,370 and more than 274,000 miles of travel were avoided. This is the result of the availability of telehealth to these rural communities. (Data is from Missouri Telehealth Network Encounters, whose providers are employed by the University of Missouri, was collected to reveal that utilization of telehealth saved Missourians significant travel time and dollars. These calculations use the average of the two federal mileage reimbursement rates - 50¢ per mile and 51¢ per mile.)

	MO HealthNet Patients	All Encounters
Number of Trips Avoided	1,000	2,000
Number of Miles Avoided	137,000	274,000
Total Dollars Saved	$69,185	$138,370

Approximately 50% of Telehealth patients are MO Health Net participants in both the managed MO HealthNet and direct MO HealthNet programs.

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

8b. Provide an efficiency measure.

Telehealth has many cost saving implications for providers. Burrell Behavioral Health and Pathways Community Behavioral Health are cost saving examples through the use of telepsychiatry. Pathways reports providing the equivalent of 53 days of telepsychiatry provider time per week. Telehealth provides a reduction in windshield time. This windshield time reflects time that the psychiatrists would lose seeing patients if it weren't for the use of telepsychiatry. The reduction of windshield time from the use of telepsychiatry results in an annual overall savings of approximately $1,576,607/year to Burrell Behavioral Health and Pathways Community Behavioral Health.

8c. Provide the number of clients/individuals served, if applicable.

Number of telehealth encounters provided to patients

Year	Number
2007 Actual	2,892
2008 Actual	3,660
2009 Actual	4,104
2010 Actual	6,703
2011 Actual	15,386
2012 Actual	26,577
2013 Projected	29,000

Number of Continuing Medical Education credits awarded to health care

Year	Number
2007 Actual	175
2008 Actual	290
2009 Actual	333
2010 Actual	505
2011 Actual	222
2012 Actual	124
2013 Projected	200

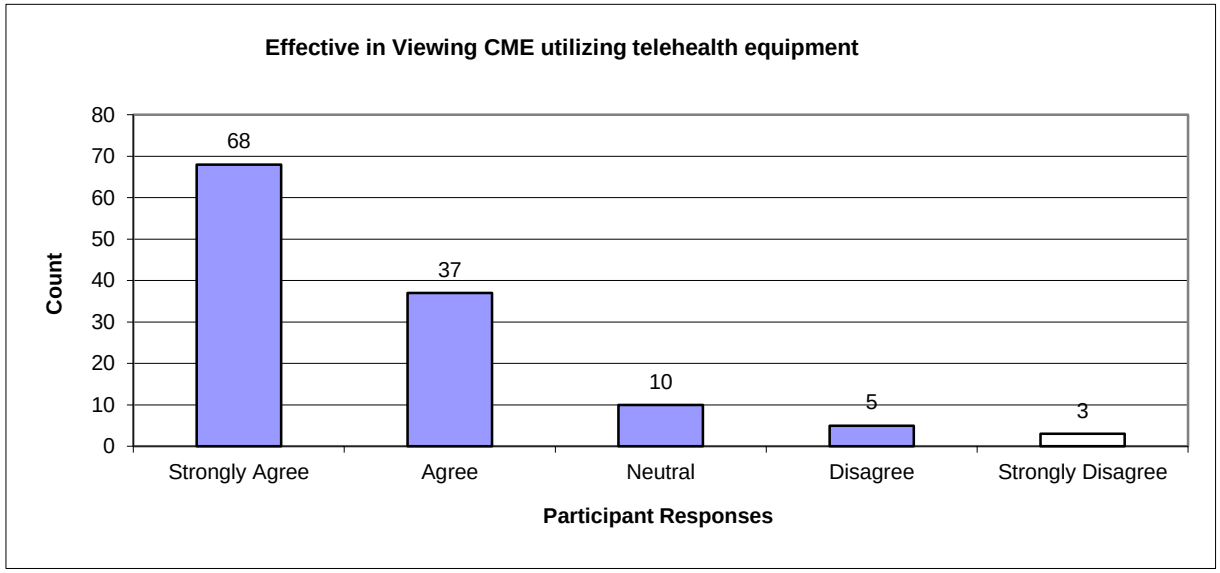
Number of teleradiology interpretations provided to patients

Year	Number
2007 Actual	13,129
2008 Actual	13,130
2009 Actual	8,630
2010 Actual	12,089
2011 Actual	13,168
2012 Actual	17,855
2013 Projected	20,000

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

8d. Provide a customer satisfaction measure, if available.

Satisfaction data was collected using an evaluation form from the CME presentations during FY2012 of those utilizing the telehealth equipment. The chart below represents the satisfaction of the providers who utilized the telehealth equipment.



Comments from rural providers about the telehealth services were favorable, indicating it was advantageous to connect from their clinic, and the information was very useful. Some specific phrases used by rural providers include: "Excellent presentation. Educational and informative", "A good presentation", "Very informative", "An excellent presentation", "Great info", "Found this to be very informative for my field", "An interesting and informative presentation", "A very good speaker - very informative", "Good program, answered many questions".

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: **Increase for Sustaining Quality and Service: $14,819**
Decision Item Rank: **1 of 1**

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to provide an increase for sustaining growth, quality, and service. An increase of $14,819 is necessary to continue current service levels, which are critical to support Telehealth in Missouri. The Missouri Telehealth Network (MTN) plays a vital role in Missouri's health care system and provides an excellent return on investment.

II. DESCRIPTION

The Missouri Telehealth Network (MTN) manages a 2 Gigabyte dedicated health care backbone and over 210 endpoint locations in Missouri. MTN provides direct patient care, including more than 26,000 patient encounters last year, and saved 1.5 million miles of travel in FY2012. MTN also provides educational opportunities for health professionals and students in rural parts of Missouri where access to up-to-date programs is limited. Telehealth sites rely on the expertise and 24x7 management, monitoring, and troubleshooting service of MTN technicians. The MTN backbone is a valuable resource for broadband access and health information exchange as the state moves forward with health care reform.

The core reduction in state appropriation of 49% since FY2009 has impacted the services provided. MTN will use the remaining core funding and this increase 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 continue service at current levels the MTN will require funds to offset the effects of increased operation costs. An adjustment of $14,819 for a 3% pay plan and associated benefit changes and 3% estimated increase in expenses on the state appropriation base is requested.

III. COST EXPLANATION

State Appropriations for Telehealth	$14,819
Total Increase from State Appropriation	**$14,819**

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

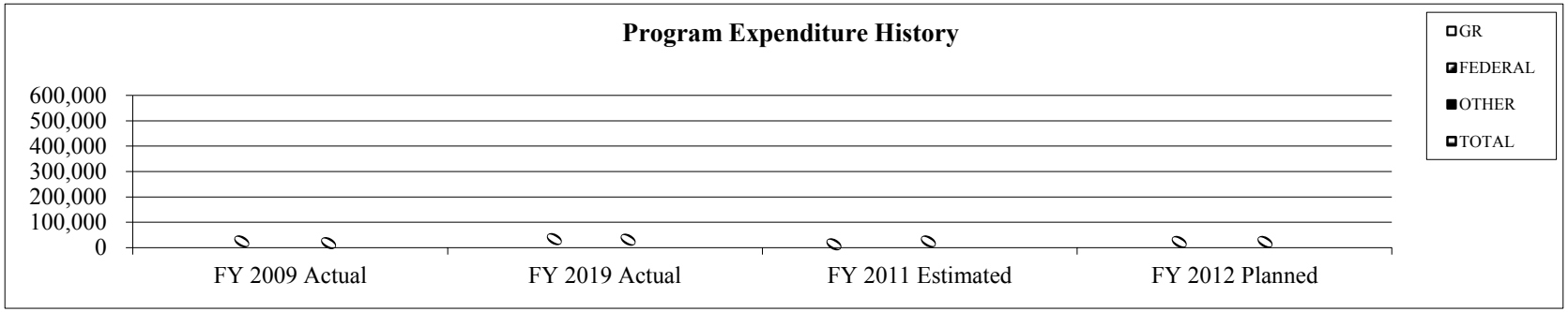
3. Are there federal matching requirements? If yes, please explain.

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: $464,640**
Decision Item Rank: **1 of 1**

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

Alzheimer's disease and other related diseases results 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. COST EXPLANATION

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 statutory award per year was increased from $30,000 to $50,000 by Senate Bill 563 in 2012.

The request for FY2014 is $464,640 based on $200,000 and a projected Consumer Price Index of 211.2. The request for research funds is $422,400 and the request for administrative funds is $42,240, which is 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

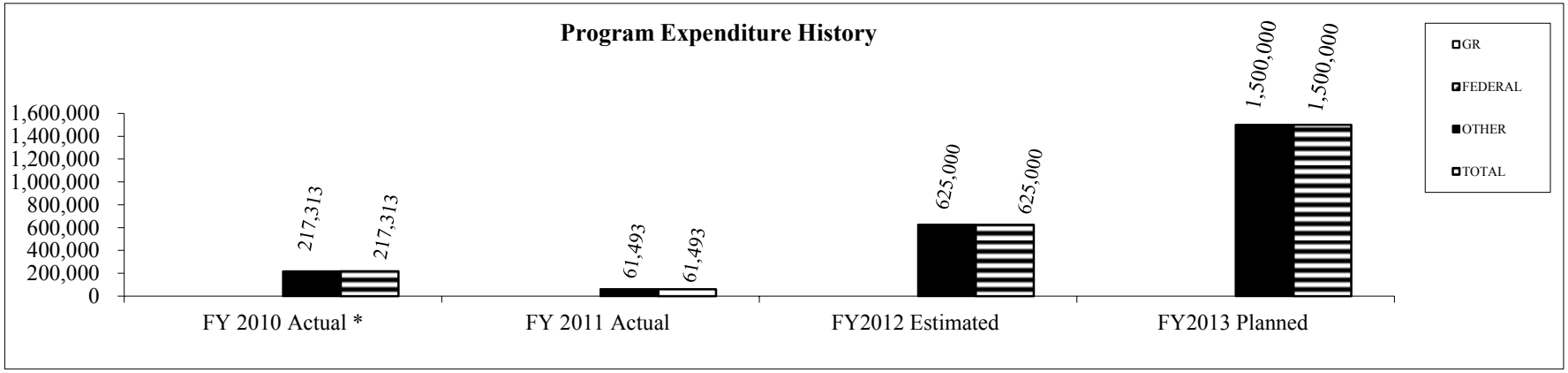
3. Are there federal matching requirements? If yes, please explain.

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 include state appropriation receivable to cover prior year 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. Due to the legislative change increasing the allowed award amount, more proposals and awards are anticipated beginning in FY2012.

Proposals received vs proposals awarded

FY 10		FY 11		FY 12		FY 13		FY 14		FY 15	
Proj Rec'd	Awarded *	Proj Rec'd	Awarded	Proj Rec'd	Proj Award	Proj Rec'd	Proj Award	Proj Rec'd	Proj Award	Proj Rec'd	Proj Award
4	5	4	1	9	4	12	9	12	9	12	9

* 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 10		FY 11		FY 12		FY 13		FY 14		FY 15	
Total Award Amount	Avg Award Amount	Total Award Amount	Avg Award Amount	Total Award Amount	Avg Award Amount	Total Award Amount	Avg Award Amount	Total Award Amount	Avg Award Amount	Total Award Amount	Avg Award Amount
$202,600	$40,520	$44,443	$44,443	$600,000	$150,000	$1,500,000	$150,000	$1,500,000	$150,000	$1,500,000	$150,000

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: $1,500,000**
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 265,000 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 (40 percent), falls (28 percent), violence (15 percent), or sports injuries (8 percent).

II. DESCRIPTION

The Advisory Board and program director 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. The request is composed of $1,350,000 for research funds and $150,000 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

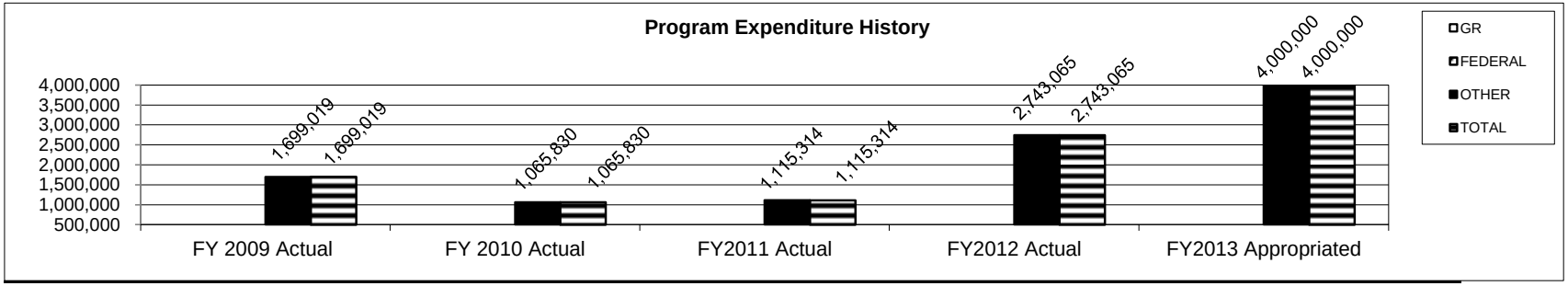
3. Are there federal matching requirements? If yes, please explain.

No

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

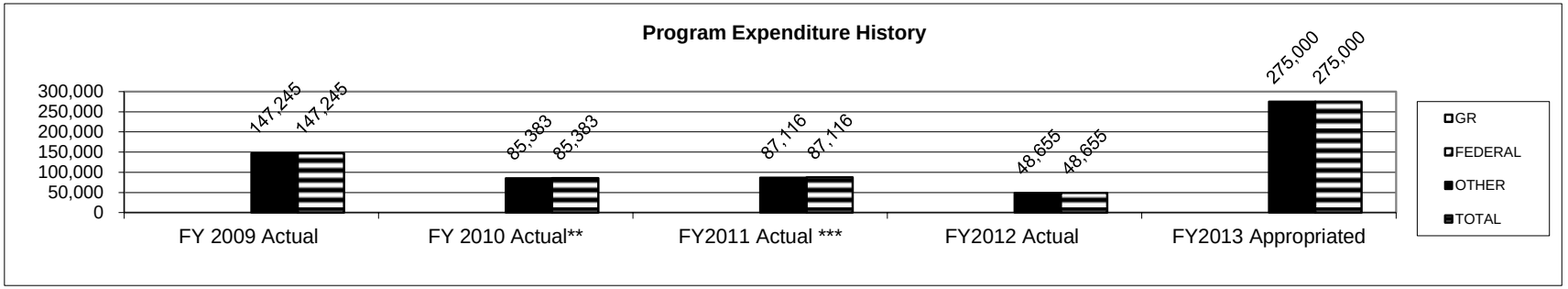
No

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.

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

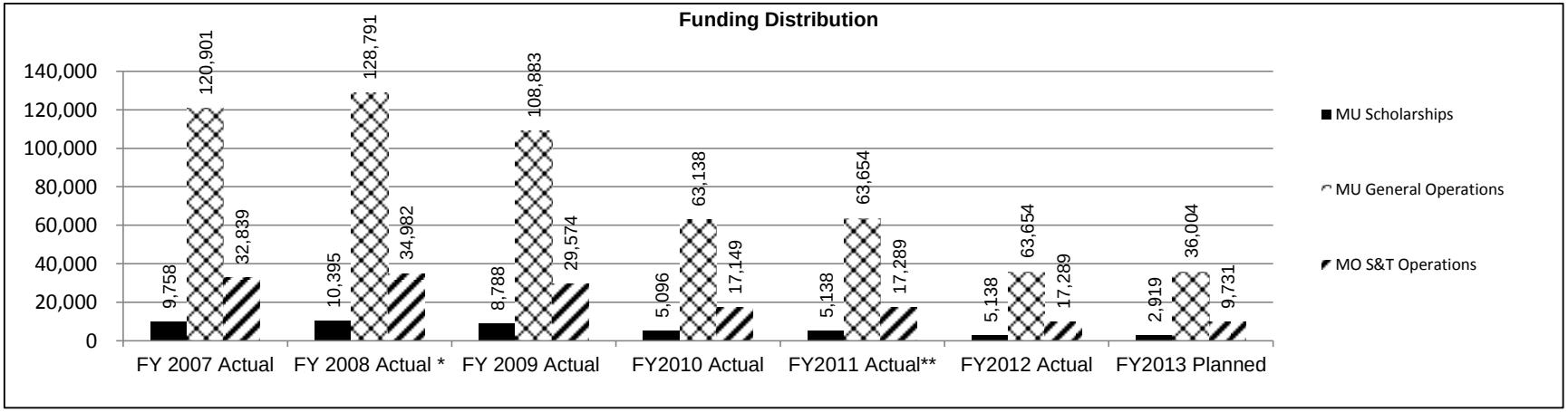


The expenditures in the graph above represent interest from investments made by the university. The interest is used to fund operations at University of Missouri-Columbia (MU) and Missouri University of Science and Technology (MO S&T) campuses and to fund some scholarships.
**Does not include $19,974 of FY2010 earnings received in FY2011
***Includes $19,974 of FY2010 earnings 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 FY2008 earnings distributed in FY2009.
**Includes $19,974 of FY2010 earnings distributed in FY2011.
Actual and estimated receipts for FY2010-2012 are down due to market conditions including Treasury Bill rate decline.

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

7b. Provide an efficiency measure.
N/A

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

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 FY2014 the university is requesting $4,000,000 in principal that will need to be reinvested during the fiscal year in Government Securities held in the Seminary Fund and $275,000 in earnings from principal held in the Seminary Fund.

	FY2013 Appropriation	FY2014 Request
To Cover Investment in Government Securities	$4,000,000	$4,000,000
To Cover Investment Earnings from Principal Held in the Seminary Fund	$275,000	$275,000

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 $1,897,746**
Decision Item Rank: **1 of 1**

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University of Missouri is requesting additional appropriation equivalent to the tuition waived in FY2009 - FY2012 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

Campus	Students	Fees Waived
Columbia	344	$ 877,459
Kansas City	169	466,920
Rolla	24	93,144
St. Louis	235	460,224
Total	772	$1,897,746

Total Increase from State Appropriation $1,897,746

The request is for FY2009 - FY2012 actual costs and reflects student headcounts and tuition waived for fall, winter, and summer semesters. The student counts are the individual unduplicated counts for each year.

University of Missouri
State Historical Society of Missouri
Program Revenues & Expenditures

	FY11 Actuals	FY12 Actuals		FY13 Budget	FY14 Restoration of Core		FY14 Increase	FY14 Total Core Request	
Revenues									
State Appropriation	$ 1,190,777	$ 1,190,777		$ 1,384,777	$ 454,077	**	$ 78,853	$ 1,917,707	
Other Sources (One-Time)		$ 39,500		$ 60,000				60,000	
Reserve (One-Time)		$ 126,496		$ 111,501				111,501	***
UM Memo of Understanding		$ 628,073		$ 528,073				528,073	
Total Revenues	**$ 1,190,777**	**$ 1,984,846**		**$ 2,084,351**	**$ 454,077**		**$ 78,853**	**$ 2,617,281**	
Transfers	**-**	**$ -**					**-**	**-**	
Total Revenues and Transfers	**$ 1,190,777**	**$ 1,984,846**		**$ 2,084,351**	**$ 454,077**		**$ 78,853**	**$ 2,617,281**	
Expenditures									
Salaries & Wages	$ 835,761	$ 1,318,161		$ 1,495,492	$ 204,000		$ 45,472	$ 1,744,964	
Benefit Expense	248,138	$ 393,803		$ 487,617	65,077		30,445	583,139	
Total Compensation	**$ 1,083,899**	**$ 1,711,964**	*	**$ 1,983,109**	**$ 269,077**		**$ 75,917**	**$ 2,328,103.00**	
Other Expenses	106,878	$ 272,882		$ 101,242	185,000		2,936	289,178	
Total Expenditures	**$ 1,190,777**	**$ 1,984,846**		**$ 2,084,351.00**	**$ 454,077**		**$ 78,853**	**$ 2,617,281**	
Change in Net Assets	**$ -**	**$ -**		**$ -**	**$ -**		**$ -**	**$ -**	

* FY12 increase reflects staff transfer associated with additional responsibilities of managing Western Historical Manuscript Collection.
** FY14 restoration of core includes recurring request of $334,077 and one-time of $120,000.
***Onetime sources not yet identified.

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. 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 and the Middle West.

2. Program History

Founded in 1898 by the Missouri Press Association and a trustee of the state since 1899, the State Historical Society of Missouri is the premier research center for the study of Missouri state and local history. The Society preserves and provides access to reference materials and historical collections through research centers on each of the four campuses of the University of Missouri system: Columbia, Kansas City, Rolla, and St. Louis. In addition, the Society provides access to manuscript collections through cooperative agreements with Missouri State University (Springfield) and Southeast Missouri State University (Cape Girardeau). The Columbia research center also houses a significant art collection with ongoing and varied exhibitions and serves as the administrative headquarters for the Society's other branches.

3. What does this program do?

The State Historical Society of Missouri collects, preserves, makes accessible, and publishes materials pertaining to the history of Missouri, and the Middle West. The Society's facilities comprise reference, newspaper, manuscript, art, map, photograph, and oral history collections. 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*, a quarterly newsletter, and, on average, one book per year on a Missouri history topic. The Society is the sponsor for National History Day in Missouri. This program annually attracts thousands of Missouri students in grades 6-12 to research historical topics based on an annual theme and to prepare papers, performances, exhibits, websites, or documentaries based upon historical research. The Society also provides public programming for adults interested in historical research and Missouri history through art exhibitions, workshops, tours, and lectures. 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. The Society also provides public programming through art exhibitions, workshops, tours, and lectures.

4. 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

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

No

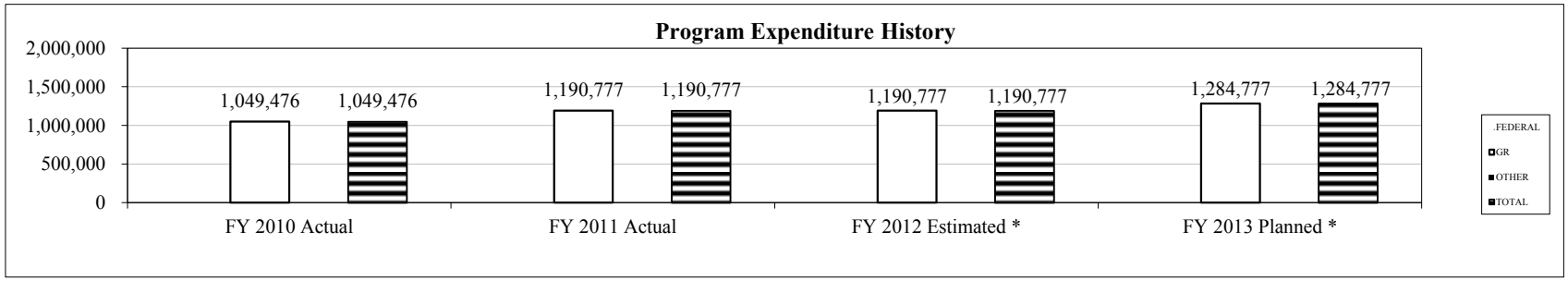
6. Is this a federally mandated program? If yes, please explain.

No

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

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



*Net of Governor's 3% withholding in FY2012 and FY2013 and additional extraordinary withholding in FY2013.

8. 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 and starting in FY2012 there is a memorandum of understanding with funding from the University of Missouri System for the Society's management of what was known previously as the Western Historical Manuscript Collection.

9a. Provide an effectiveness measure.

How many individuals use Society resources on-site and attend Society events?

FY2011 Projected	FY2011 Actual	FY2012 Projected	FY2012 Actual	FY2013 Target	FY2014 Target	FY2015 Target
10,157	14,863	15,012	17,193	17,537	17,888	18,246

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

FY2011 Projected	FY2011 Actual	FY2012 Projected	FY2012 Actual	FY2013 Target	FY2014 Target	FY2015 Target
32,703	12,432	13,054	13,537	14,078	14,641	15,227

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

9b. Provide an efficiency measure.

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

FY2011 Projected	FY2011 Actual	FY2012 Projected	FY2012 Actual	FY2013 Target	FY2014 Target	FY2015 Target
1,270	1,031	1,041	1,105	1,127	1,150	1,173

9c. Provide the number of clients/individuals served, if applicable.

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

FY2011 Projected	FY2011 Actual	FY2012 Projected	FY2012 Actual	FY2013 Target	FY2014 Target	FY2015 Target
1,051,950	403,496	407,531	496,116	520,922	546,968	574,316

10. Performance and Other Activity Measures

	FY2011	**FY2012**	**FY2013**	**FY2014**
Researchers On-site	5,619	4,060	4,101	4,142
Art Gallery Attendance	4,017	4,244	4,286	4,329
Tours, Events, Staff Presentations	151	135	137	139
Tours, Events, Staff Presentations Attendance	3,032	5,957	6,076	6,198
Students Participating in National History Day contests	2,195	2,501	2,551	2,602
Web Site Visitors	376,201	465,188	488,447	512,869
Membership	4,844	4,864	4,912	4,961

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL
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: $532,930**
Decision Item Rank: **1 of 1**

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore specific needs of the core budget and provide an increase for sustaining quality and service. It includes restoration of the $454,077 core cut in previous fiscal years and an increase of $78,853 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 since FY2009 has had a significant impact to the services provided. It has required the elimination of approximately 40% of the Society staff, which 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, including manuscripts. Reduction in staff size has dramatically increased the workload of remaining staff members.

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.

The State Historical Society of Missouri will require funds to offset the effects of increased costs of operation. The State Historical Society seeks to recover four of the ten "Manuscript Specialist" positions lost as a result of budget reductions during FY2012, for total cost with benefits of $179,384. Additionally, the State Historical Society seeks to add two "Manuscript Specialist" positions to facilitate the operation of Research Centers opening in FY2013 at Missouri State University in Springfield and Southeast Missouri State University in Cape Girardeau. These positions with benefits will cost $89,693. One of the Society's major functions is the preservation microfilming of Missouri newspapers. Currently, the Society spends approximately $100,000 each year on this effort, all of which are privately raised funds. The Society seeks state funding to cover half the costs of this effort ($50,000).

Additional funding is also needed to provide additional digital storage; upgrade staff computers and equipment; and replace office furniture for staff and patrons.

In order to sustain quality and service at current levels, the SHS will require funds to offset the effects of increased operation costs. An adjustment of $78,853 for a 3% pay plan and associated benefit changes and 3% estimated increase in expenses 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 recurring	$334,077
Restoration of Core funding one-time	120,000
Increase for Sustaining Quality and Service (3.0 percent inflationary)	78,853
Total State Appropriations	$532,930

Recurring Request	$412,930
One-Time Request	120,000
Total	$532,930