Oversight Division

Committee On Legislative Research

PROGRAM EVALUATION

Review of the Department of Higher Education
University of Missouri
Campus Funding Allocation

Program Evaluation

Review of the Department of Higher Education
University of Missouri
Campus Funding Allocation

Prepared for the Committee on Legislative Research
by the Oversight Division

Mickey Wilson, CPA, Director

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Committee on Legislative Research Oversight Subcommittee

THE COMMITTEE ON LEGISLATIVE RESEARCH, Oversight Division, is an agency of the Missouri General Assembly as established in Chapter 23 of the Revised Statutes of Missouri. The programs and activities of the State of Missouri cost approximately $21.6 billion annually. Each year the General Assembly enacts laws which add to, delete or change these programs. To meet the demands for more responsive and cost effective state government, legislators need to receive information regarding the status of the programs which they have created and the expenditure of funds which they have authorized. The work of the Oversight Division provides the General Assembly with a means to evaluate state agencies and state programs.

THE COMMITTEE ON LEGISLATIVE RESEARCH is a permanent joint committee of the Missouri General Assembly comprised of the chairman of the Senate Appropriations Committee and nine other members of the Senate and the chairman of the House Budget Committee and nine other members of the House of Representatives. The Senate members are appointed by the President Pro Tem of the Senate and the House members are appointed by the Speaker of the House of Representatives. No more than six members from the House and six members from the Senate may be of the same political party.

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Committee on Legislative Research
State of Missouri
STATE CAPITOL
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Members of the General Assembly:

The Joint Committee on Legislative Research adopted a resolution in May 2007, directing the Oversight Division to perform a program evaluation of the Department of Higher Education, University of Missouri Campus Funding Allocation to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties as set forth by statute or regulation.

The report includes Oversight's comments on internal controls, compliance with legal requirements, management practices, program performance and related areas. We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates. You may request a copy of the report from the Oversight Division by calling 751-4143.

Respectfully,

Representative Scott Muschany
Chairman

EXECUTIVE SUMMARY

The University of Missouri is one of the nation's largest higher education institutions, with more than 63,000 students on four campuses (Columbia, Kansas City, Rolla, and St. Louis) and an extension program with activities in every county of the state.

The University of Missouri System's appropriation request is submitted to the Coordinating Board for Higher Education, the Governor's Office, the General Assembly, and other stakeholders. The appropriations process spans an 18-month period from initial planning to approval of the appropriations request by the General Assembly and signature of the Governor.

The University System's appropriation request for operations has two main components: request for core funding for the University and request for funding for the Other Curators Programs.

The University System receives a single appropriation for core funding. The President of the University, with the approval of the Board of Curators, allocates the appropriations to the campuses by granting a proportionate share of the total appropriation relative to each campus's base appropriation. All campus generated revenue, including tuition and fees, are retained by the campus.

The Oversight Division solicited information from several universities that neighbor the state of Missouri in an effort to determine the processes those institutions use when distributing state appropriations to the institutions within their university systems. Oversight sought information regarding the university systems' appropriations processes, funding models, allocation of lump sum appropriations among campuses or branches within the university systems, use of performance-based allocations, and the role of each state's Department of Higher Education in the university systems' appropriations process. Oversight received information from the Kansas Board of Regents, Oklahoma State University, Iowa Board of Regents, University of Illinois, and the University of Nebraska.

The University of Missouri System's appropriation included legislative directed funds during fiscal years 2005 through 2007. Oversight's evaluation revealed the legislative directed funds appeared to be allocated to the intended campus and appear to be in addition to the campus recurring state base appropriation. The University System's appropriation for fiscal year 2008 included $1 million to be used for equity adjustments for the St. Louis campus. The information provided by the University System does not address this $1 million. University officials provided a copy of a memorandum regarding their understanding of the commitment to UMSL.

Mickey Wilson

Mickey Wilson, CPA
Director

Chapter 1

Purpose/Objectives

The Joint Committee on Legislative Research (Committee) directed the Oversight Division to perform a program evaluation of the University of Missouri Campus Funding Allocation. The Committee expressed concern over the allocation of state funding by the University of Missouri Board of Curators to the four campuses of the University of Missouri System.

The program evaluation had the following components: to determine how the Board of Curators allocates state funding to the four campuses, to determine the role of the Department of Higher Education in the allocation of state funding to the four University of Missouri campuses, to determine the reporting procedures of the University of Missouri, to determine whether the allocation procedures are being applied consistently between funding years, and to determine whether letters of intent are applied in the proper manner.

Scope

The scope of the evaluation concentrated on the appropriations requests and appropriations received by the University of Missouri System for the time period of July 1, 2002 through June 30, 2007.

Methodology

The methodology used by the Oversight Division included reviewing the University of Missouri System and the Department of Higher Education's policies and procedures utilized in formulating the annual appropriations request and the allocation of appropriations to the four university campuses. In addition, Oversight conducted a written survey of other state university systems regarding their appropriations policies, procedures, and allocations among university campuses.

Background

The Coordinating Board for Higher Education (CBHE) was authorized by an amendment to the Missouri Constitution in 1972 and established by statute in the Omnibus State Reorganization Act of 1974. The CBHE has statutory responsibilities relating to higher education programs and policies and oversees the activities of the Missouri Department of Higher Education (DHE), which serves as the administrative arm of the CBHE.

The CBHE appoints the commissioner of higher education to head the DHE and carry out administrative responsibilities to achieve the CBHE's desired goals for the state system of higher education. The DHE's responsibilities include, but are not limited to, the submission of a unified budget request for public higher education to the governor and the Missouri General Assembly.

The state's system of higher education consists of 13 public four-year university campuses, 19 public two-year college campuses, 1 public two-year technical college, 25 independent colleges and universities, and 151 proprietary schools. The focus of this evaluation is on the University of Missouri System.

The mission of the University of Missouri (University), as a land-grant university and Missouri's only pubic research, doctoral, and professional degree-granting institution, is to discover, disseminate, preserve, and apply knowledge. The University promotes learning by its students and lifelong learning by 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.

The University of Missouri is one of the nation's largest higher education institutions, with more than 63,000 students on four campuses (Columbia, Kansas City, Rolla, and St. Louis) and an extension program with activities in every county of the state. The University's four campuses are quite diverse in their missions:

- University of Missouri – Columbia (UMC): To provide all Missourians the benefit of a world-class research university. UMC's missions of teaching, research, and service work together on behalf of all citizens. UMC is obligated 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): To provide instruction, research, and community service for continuous state and regional progress. UMKC's programming focuses on three areas: visual and performing arts, health sciences, and urban affairs.

- University of Missouri – Rolla (UMR): To offer educational programs in major disciplines that are technology-based, technology-dependent, or complementary to these programs and is responsible for meeting Missouri's needs for engineering education. UMR emphasizes a broad range of educational and research programs with special emphasis on science and technology.

- University of Missouri – St. Louis (UMSL): To meet the diverse needs in the state's largest metropolitan community. UMSL educates traditional and nontraditional students so that they may provide leadership in health professions; liberal and fine arts; science and technology; and metropolitan affairs such as business, education, and public policy.

The following chart details the enrollment, teaching and research staff, and degrees for each University of Missouri Campus, as well as for the University of Missouri System:

	Total Enrollment (Fall 2006)	**Graduate & Professional Program Enrollment (Fall 2006)**	**Full Time Teaching & Research Staff (Fall 2006)**	**Total Degrees Granted (2006 – 2007)**
Columbia	28,184	6,700	2,907	6,772
Kansas City	14,213	4,830	1,142	2,764
Rolla	5,858	1,343	370	1,378
St. Louis	15,528	3,069	556	2,963
Total	**63,783**	**15,942**	**4,975**	**13,877**

Chapter 2

University of Missouri System Appropriations Process

The Oversight Division inquired of the University of Missouri System, University campuses, and the Department of Higher Education to determine the procedures used in compiling the annual appropriations requests at the University System, University campus, and Department of Higher Education levels.

The University of Missouri described its appropriations process as follows:

The Appropriations Request for Operations (AR) is the document that the University of Missouri constructs and submits to officially request state funding for Operations for the upcoming fiscal year. The University of Missouri's Planning and Budget (P&B) office submits the AR to the Coordinating Board for Higher Education (CBHE), the Governor's Office, the General Assembly, and other stakeholders. It is also posted on the Planning and Budget website. The appropriations process spans an 18-month period from initial planning to approval of the appropriations request by the General Assembly and signature of the Governor.

The appropriations request for operations has two main components:

- Request for core funding for the University and
- Request for funding for the Other Curators Programs.

The initiation of the appropriations request process parallels the calendar year, beginning in January, when the Office of Planning and Budget constructs a document entitled "Planning Guidelines, Calendar of Activities, and Information Requests." This document is posted on the P&B website and disseminated to all campuses and other Curators' programs in the January/February time frame.

New funding (decision item) requests are due to the Office of Planning and Budget by mid April. The requests are reviewed by the President, Chancellors, and other senior administrators, and a summary recommendation is prepared. The appropriations request and new decision items summary is presented to the Board of Curators at their May meeting. In July, the Board of Curators approves the final appropriations request summary. The forms are submitted electronically to the Coordinating Board for Higher Education (CBHE) by the last working day in July each year. The Office of Planning and Budget then prepares the final formal request document. The Other Curator Programs forms are submitted electronically in mid August to the CBHE and the remaining forms for the University's core request are submitted to the CBHE electronically in mid to late August. Final printed versions of the request are submitted to the CBHE, Governor, General Assembly, and other constituents in late September prior to the official deadline of October 1st.

The University of Missouri System receives a single appropriation for core funding. The President of the University, with the approval of the Board of Curators, allocates the appropriations to the campuses by granting a proportionate share of the total appropriation relative to each campus's base appropriation. All campus generated revenue, including tuition and fees, is retained by the campus.

Oversight sought information regarding the appropriation process from the four university campuses. Oversight received a response from the University of Missouri System in collaboration with the four chancellors.

The Missouri Department of Higher Education (MDHE) provided the following description of the department's appropriations process:

The MDHE staff receives operating requests and capital improvement requests over the summer. Staff evaluates the various requests, consults with the Coordinating Board for Higher Education (CBHE), and makes a recommendation to the CBHE in October. The CBHE takes action on the recommendations at the regular October meeting and forwards its official request to the Governor and General Assembly shortly thereafter.

Over the past several years there have been several different policy frameworks under which the CBHE has formulated its recommendations. These have included the manufacturing of an inflationary increase percentage for all institutions, the recommendation of each institution's top priority, the recommendation of all institutional requests, or the recommendation of no new items which was consistent with budget directions.

For several years in the 1990s the CBHE employed a "planned expenditure" model that generated institutional increase amounts based on supporting various institutional activities. There was also a performance funding component called "funding for results" and targeted investment funding called "mission enhancement." The CBHE's current recommendation is for the second year's funding of a three-year commitment made by the Governor beginning in FY 2008 to return higher education institutions at least to their FY 2001 levels by FY 2010 (not adjusted for inflation). In addition the CBHE has recommended a targeted investment in increasing institutional capacities to produce graduates in direct care health occupations.

Appropriations Processes in Other States

The Oversight Division solicited information from several universities that neighbor the state of Missouri in an effort to determine the processes those institutions use when distributing state appropriations to the institutions within their university systems. The university systems selected were of the states of Kansas, Oklahoma, Iowa, Illinois, Nebraska, and Arkansas. Oversight received a response from the Kansas Board of Regents, Oklahoma State University, Iowa Board of Regents, University of Illinois, and the University of Nebraska.

Oversight's review revealed the state legislatures of Nebraska and Iowa make appropriations to their respective Boards of Regents, who then determine the amount of appropriation to each university in the system. Likewise, the University of Illinois has one board and three campuses. There is a single appropriation to the board, it is not separated by campus.

A similar procedure of allocation is followed in Oklahoma; however, the Oklahoma constitution only allows for the legislature to make a lump sum appropriation to the state Board of Regents for Higher Education. The state Board of Regents is constitutionally responsible for allocating all state funds.

In Kansas there are no branch schools. The state legislature appropriates all annual new operating funds to the Kansas Board of Regents for allocation to the six governed state universities. Base operating appropriations for the six governed state universities are appropriated to the individual institution. The six state universities are state agencies.

Oversight inquired whether the other states utilize written procedures or funding models that branch campuses must follow when making appropriations requests.

Oversight's review revealed no funding model in the states of Iowa and Nebraska. In Iowa, appropriations requests generally begin with base budgets of the prior year, then an inflation factor is applied. The universities are requested to develop strategic initiatives which may or may not be forwarded by the Board of Regents for consideration by the state for funding through narrative and cost proposals. In Nebraska, there are no written procedures or funding models. Campuses do not make budget requests. The University of Nebraska makes all requests.

In Illinois, the University submits a variety of analytical data through the Illinois Board of Higher Education (IBHE). The University also submits data to legislative staff. All of this is done in more or less standardized formats, but the University Board is required to make their own request. They are not limited in what their request level nor emphasis will be.

In Oklahoma, there is not a separate funding model for branch campuses.

Oversight inquired whether the branch universities or other entities within the system provide input in the appropriations process.

The state of Iowa stated the universities are key players and provide key information in the development of the appropriations requests, particularly in the strategic initiatives proposed.

The state of Nebraska stated the Nebraska University President and campus Chancellors determine the priorities and operating needs to be requested in the Nebraska University budget request. Those priorities are presented to the Board of Regents who approves the budget request. Once approved, the request is submitted to the Governor and Legislature.

The state of Oklahoma stated the branch schools work with the administration in preparation of the appropriations request.

The Oversight Division inquired regarding the allocation of a lump sum appropriation to each campus or branch within the university system. The surveyed university systems provided the following information:

The University of Illinois is largely incrementally based budgeted. There are line items for the total university. The University has had 6 very difficult years, where the University had its direct appropriation reduced by approximately $130 million. In the last two years there have been small increments in direct state appropriations for a salary increase program and these dollars were allocated on a "fair share" basis of the personal services base. Tuition dollars stayed at the campus that generated it. University wide unavoidable reallocations were made using the budget base of the campus. Simply put, there has not been a large amount of discretionary or program funds for several years.

The Iowa State Legislature makes appropriations to the Board of Regents who then determines the amount of appropriation to each university in the system. The Board has the authority to distribute these funds as appropriate given the current year's circumstances.

The President of the University of Nebraska determines the level of funding for each campus within the University system. The allocation is based on a combination of estimated operating needs and campus performance on system strategic initiatives.

In Oklahoma, a majority of the allocation goes through the program budgeting funding formula. Other allocations (scholarships, capital needs, etc.) are based on need and/or state statutory requirements for the program.

Oversight requested information regarding the use of performance measures that are linked to performance-based allocations. Oversight received the following information:

The Board of the University of Illinois and Illinois Board of Higher Education collect a significant amount of data, but allocations are not directly tied to a performance measure agreement.

The state of Iowa uses performance measures, but they are not tied to appropriations.

Kansas officials stated two institutions received only a portion of their new funding and one did not receive any new funding because they failed to meet their agreements with the Board. In accordance with Board policy, the loss of funding is one-time and is restored to their base in subsequent years.

In Nebraska, for certain system strategic initiatives, performance is one variable used to determine funding allocations.

Oklahoma officials stated they have a "Brain Gain" grant that each institution is eligible to receive. The grant is to improve retention and graduation levels. Continued improvement must be demonstrated for the grant to continue.

Oversight also inquired about the role the state Departments of Higher Education plays in the university's appropriations process. Oversight received the following information:

The Illinois Board of Higher Education makes recommendations each year to the Governor and legislature on both appropriation levels and capital project priorities.

The Iowa Department of Higher Education becomes involved in only the increased appropriations for the Special Schools. The Board of Regents is the state entity that governs the three state universities and takes the lead in the appropriation process.

Kansas officials stated the state legislature appropriates all annual new operating funds to the Kansas Board of Regents for allocation to the six governed state universities. Appropriations from the Educational Building Fund are also appropriated to the Board for allocation of rehabilitation and repair funding to the institutions. Base operating appropriations for the six governed state universities are appropriated to the individual institution.

In even-numbered years, the Nebraska Coordinating Commission for Postsecondary Education (CCPE) is directed by the Nebraska Constitution to review and modify, if necessary, the budget requests of Nebraska public postsecondary institutions. The CCPE addresses statewide funding issues, reviews continuation requests, and focuses on new and expanded programs in its budget review and recommendations.

In Oklahoma, once the allocations are made to the institutions by the Oklahoma State Board of Regents, it is up to the institutions governing board to decide the final distribution.

Legislative Directed Funds

During fiscal years 2005 through 2007, the University of Missouri System's appropriation included funds in addition to the University System's recurring state appropriation base. The legislature specified the legislative intent for these additional funds. The University of Missouri System provided the following information relating to these legislative directed funds:

Fiscal Year 2005:

The fiscal year 2005 appropriation included a general 2.4% increase for the university plus a special allocation for UMSL in the amount of $2,750,695. Net of the governor's 3% reserve, this resulted in a special allocation of $2,668,174 over and above UMSL's general allocation.

The following chart details the FY 2005 state appropriations received by each campus, compared to the FY 2004 recurring state base:

	FY 2004	FY 2005	$ Increase (Decrease)	% Increase (Decrease)
Total Recurring State Appropriation Base	$388,738,932	$400,819,361	$12,080,429	3.11%
Unallocated Withholding	$11,662,168	$12,024,585	$362,417	3.11%
Total Net Recurring State Appropriation Base	$377,076,764	$388,794,776	$11,718,012	3.11%
UMC	$168,441,914	$169,810,557	$1,368,643	0.81%
UMKC	$73,196,344	$73,778,747	$582,403	0.80%
UMR	$44,218,075	$44,659,575	$441,500	1.00%
UMSL	$46,321,140	$49,427,914	$3,106,774	6.71%
UM Extension	$25,122,600	$25,356,649	$234,049	0.93%
UMSa	$15,367,252	$16,387,057	$1,019,805	6.64%
U-Wide	$4,409,439	$9,374,277	$4,964,838	112.60%

The following chart details the 2005 state appropriations received, less legislative directives, compared to the FY 2004 recurring state base:

	FY 2004	FY 2005	$ Increase (Decrease)	% Increase (Decrease)
Total Recurring State Appropriation Base Less Legislative Directives	$388,738,932	$398,068,666	$9,329,734	2.40%
Unallocated Withholding Less Legislative Directives	$11,662,168	$11,942,064	$279,896	2.40%
Total Net Recurring State Appropriation Base Less Legislative Directives	$377,076,764	$386,126,602	$9,049,838	2.40%
UMC	$168,441,914	$169,810,557	$1,368,643	0.81%
UMKC	$73,196,344	$73,778,747	$582,403	0.80%
UMR	$44,218,075	$44,659,575	$441,500	1.00%
UMSL	$46,321,140	$46,759,740	$438,600	0.95%
UM Extension	$25,122,600	$25,356,649	$234,049	0.93%
UMSa	$15,367,252	$16,387,057	$1,019,805	6.64%
U-Wide	$4,409,439	$9,374,277	$4,964,838	112.60%

It appears the 2005 legislative directive to UMSL was in addition to their general allocation. It does not appear the general 2.4% increase for the university was allocated to each campus. University officials explained $1 million was used to fund the endowed chairs program on a recurring basis, $4 million was used as matching funds for the campuses Endowed Need-Based Scholarship Program in fiscal year 2005 and allocated proportionately to the campuses in fiscal year 2006 on a recurring basis, and the remainder was allocated to fund strategic initiatives on the campuses (approximately $3.5 million) and to fund a joint library initiative (approximately $940,000 – one half new funds and one half internal reallocation).

Fiscal Year 2006:

The FY 2006 appropriation included a $1 million increase specified for the UMKC Dental School. In addition, per an agreement between President Floyd and Senator Gross, a special allocation was made to UMSL of $521,109. These funds were reallocated from the UM System Administration core budget.

The following chart details the FY 2006 appropriations received by each campus, compared to the FY 2005 recurring state base:

	FY 2005	FY 2006	$ Increase (Decrease)	% Increase (Decrease)
Total Recurring State Appropriation Base	$400,819,361	$401,819,361	$1,000,000	0.25%
Unallocated Withholding	$12,024,585	$12,054,582	$29,997	0.25%
Total Net Recurring State Appropriation Base	$388,794,776	$389,764,779	$970,003	0.25%
UMC	$169,810,557	$171,601,269	$1,790,712	1.05%
UMKC	$73,778,747	$75,526,582	$1,747,835	2.37%
UMR	$44,659,575	$45,130,412	$470,837	1.05%
UMSL	$49,427,914	$50,470,132	$1,042,218	2.11%
UM Extension	$25,356,649	$25,623,979	$267,330	1.05%
UMSa	$16,387,057	$16,038,125	($348,932)	(2.13%)
U-Wide	$9,374,277	$5,374,280	($3,999,997)	(42.67%)

The following chart details the 2006 state appropriations received, less legislative directives and base allocation adjustment, for each campus, compared to the FY 2005 recurring state base:

	FY 2005	FY 2006	$ Increase (Decrease)	% Increase (Decrease)
Total Recurring State Appropriation Base Less Legislative Directives	$400,819,361	$400,819,361	$0	0.00%
Unallocated Withholding Less Legislative Directives	$12,024,585	$12,024,582	($3)	0.00%
Total Net Recurring State Appropriation Base Less Legislative Directives	$388,794,776	$388,794,779	$3	0.00%
UMC	$169,810,557	$171,601,269	$1,790,712	1.05%
UMKC	$73,778,747	$74,556,582	$777,835	1.05%
UMR	$44,659,575	$45,130,412	$470,837	1.05%
UMSL	$49,427,914	$49,949,023	$521,109	1.05%
UM Extension	$25,356,649	$25,623,979	$267,330	1.05%
UMSa	$16,387,057	$16,559,234	$172,177	1.05%
U-Wide	$9,374,277	$5,374,280	($3,999,997)	(42.67%)

The legislative directives and special allocation appear to be in addition to the UMKC and UMSL recurring state appropriations base.

Fiscal Year 2007:

In Fiscal Year 2007, there were several legislative directives:

$2,000,000 for UMSL Equity ($1,940,000 net)
$200,000 for UMSL Ethics program ($194,000 net)
$100,000 cut to the core related to the UMKC People First program (net cut of $97,000)
$750,000 for the UMKC Anesthesiology Program ($727,500 net)

The following chart details the FY 2007 appropriations received by each campus, compared to the FY 2006 recurring state base:

	FY 2006	FY 2007	$ Increase (Decrease)	% Increase (Decrease)
Total Recurring State Appropriation Base	$401,819,361	$412,991,189	$11,171,828	2.78%
Unallocated Withholding	$12,054,582	$12,389,735	$335,153	2.78%
Total Net Recurring State Appropriation Base	$389,764,779	$400,601,454	$10,836,675	2.78%
UMC	$171,601,269	$174,861,290	$3,260,021	1.90%
UMKC	$75,526,582	$77,563,709	$2,037,127	2.70%
UMR	$45,130,412	$46,004,929	$874,517	1.94%
UMSL	$50,470,132	$53,556,062	$3,085,930	6.11%
UM Extension	$25,623,979	$26,126,573	$502,594	1.96%
UMSa	$16,038,125	$17,353,638	$1,315,513	8.20%
U-Wide	$5,374,280	$5,135,253	($239,027)	(4.45%)

The following chart details the 2007 state appropriations received, less legislative directives and base allocation adjustment, for each campus, compared to the FY 2006 recurring state base:

	FY 2006	FY 2007	$ Increase (Decrease)	% Increase (Decrease)
Total Recurring State Appropriation Base Less Legislative Directives	$401,819,361	$410,141,189	$8,321,828	2.07%
Unallocated Withholding Less Legislative Directives	$12,054,582	$12,304,235	$249,653	2.07%
Total Net Recurring State Appropriation Base Less Legislative Directives	$389,764,779	$397,836,954	$8,072,175	2.07%
UMC	$171,601,269	$174,861,290	$3,260,021	1.90%
UMKC	$75,526,582	$76,933,209	$1,406,627	1.86%
UMR	$45,130,412	$46,004,929	$874,517	1.94%
UMSL	$50,470,132	$51,422,062	$951,930	1.89%
UM Extension	$25,623,979	$26,126,573	$502,594	1.96%
UMSa	$16,038,125	$17,353,638	$1,315,513	8.20%
U-Wide	$5,374,280	$5,135,253	($239,027)	(4.45%)

It appears that all legislative directed funds were allocated to the intended campus.

Fiscal Year 2008:

The information received from the University of Missouri states the appropriation included $500,000 for the UMR/MSU Cooperative Engineering Program. These funds were allocated to UMR ($485,000 net). The appropriation also included $100,000 for the UMSL Ethics Institute ($97,000 net). In addition, in an agreement between President Lamb and Senator Gross, $300,000 was reallocated from UM System Administration and allocated to UMSL.

In a May 17, 2007 letter from Senator Gross, Senator Nodler, and Representative Icet to President Lamb, the legislative intent of the Fiscal Year 2008 operating appropriation for the University of Missouri is detailed. The letter states the ". . .appropriation includes $1 million to be utilized solely for equity adjustments for the University of Missouri–St. Louis."

The following chart details the FY 2008 appropriations received by each campus, compared to the FY 2007 recurring state base:

	FY 2007	FY 2008	$ Increase (Decrease)	% Increase (Decrease)
Total Recurring State Appropriation Base	$412,991,189	$430,936,819	$17,945,630	4.35%
Unallocated Withholding	$12,389,735	$12,928,105	$538,370	4.35%
Total Net Recurring State Appropriation Base	$400,601,454	$418,008,714	$17,407,260	4.35%
UMC	$174,861,290	$181,766,234	$6,904,944	3.95%
UMKC	$77,563,709	$80,616,686	$3,052,977	3.94%
UMR	$46,004,929	$48,321,939	$2,317,010	5.04%
UMSL	$53,556,062	$56,071,743	$2,515,681	4.70%
UM Extension	$26,126,573	$27,173,801	$1,047,228	4.01%
UMSa	$17,353,638	$18,677,222	$1,323,584	7.63%
U-Wide	$5,135,253	$5,381,089	$245,836	4.79%

The following chart details the 2008 state appropriations received, less legislative directives and base allocation adjustment, for each campus, compared to the FY 2007 recurring state base:

	FY 2007	FY 2008	$ Increase (Decrease)	% Increase (Decrease)
Total Recurring State Appropriation Base Less Legislative Directives	$412,991,189	$430,336,819	$17,345,630	4.20%
Unallocated Withholding Less Legislative Directives	$12,389,735	$12,910,105	$520,370	4.20%
Total Net Recurring State Appropriation Base Less Legislative Directives	$400,601,454	$417,426,714	$16,825,260	4.20%
UMC	$174,861,290	$181,766,234	$6,904,944	3.95%
UMKC	$77,563,709	$80,616,686	$3,052,977	3.94%
UMR	$46,004,929	$47,836,939	$1,832,010	3.98%
UMSL	$53,556,062	$55,674,743	$2,118,681	3.96%
UM Extension	$26,126,573	$27,173,801	$1,047,228	4.01%
UMSa	$17,353,638	$18,977,222	$1,623,584	9.36%
U-Wide	$5,135,253	$5,381,089	$245,836	4.79%

It appears the legislative directed funds were allocated as directed. However, the information provided by the University of Missouri System does not address the $1 million directed funds for equity adjustments for the University of Missouri – St. Louis, as noted in the May 17, 2007 letter from Senator Gross, Senator Nodler, and Representative Icet to President Lamb. However, University officials did provide a copy of a memorandum regarding their understanding of the commitment to UMSL.

There is no requirement for the University to provide information relating to the use of the legislative directed funds. However, it appears all legislative directed funds during the evaluation period were allocated to the intended campus. The legislative directed funds increase the campus recurring state base in subsequent fiscal years. In summary, it appears the University allocated the legislative directed funds in the intended manner. The legislative directed funds appear to be in addition to the campus recurring state base appropriation. However, the $1 million directed funds for equity adjustments for the University of Missouri – St. Louis in fiscal year 2008, as noted in the May 17, 2007 letter from Senator Gross, Senator Nodler, and Representative Icet to President Lamb is not reflected in the appropriations information provided by the University.

GLOSSARY

Appropriation Request (AR)

The act of requesting public funds to be set aside for a specific purpose.

Board of Curators

The Board of Curators of the University of Missouri shall consist of nine members, who shall be appointed by the Governor, by and with the advice and consent of the Senate; not more than one person shall be appointed to the board from the same congressional district, and no person shall be appointed a curator who is not a citizen of the United States, and who has not been a resident of the State of Missouri two years prior to his or her appointment. No more than five curators shall belong to any one political party.

Coordinating Board for Higher Education (CBHE)

The nine member board, appointed by the Governor and confirmed by the Senate, is responsible for planning for improvements of higher education in the State of Missouri.

Council on Public Higher Education (COPHE)

A nonprofit association of the Presidents and Chancellors of Missouri's 13 public college and university campuses and the President of the University of Missouri system. Each year, these institutions serve more than 120,000 students, focusing on the delivery of excellent undergraduate and graduate education, research, and service to the people of Missouri.

The primary mission of COPHE is to support and advance the mission of Missouri's public four-year colleges and universities by facilitating information sharing and collaboration among the chief executive officers and by encouraging increased understanding by the public and public officials of the value of higher education to a state's people and its economy.

Department of Higher Education (DHE)

A Missouri department dedicated to delivering an affordable, quality, coordinated postsecondary education system and increasing successful participation, benefitting all Missourians.

Full Time Equivalent (FTE)

A way to measure a worker's involvement in a project, or a student's enrolment at an educational institution. An FTE of 1.0 means the person is equivalent to a full-time worker or student, while an FTE of 0.5 indicates the worker or student is only half-time.

Higher Education Funding Formula (HEFF)

A formula to be used as the basis of requests for state support for public higher education institutions. The primary intent of developing a HEFF is to provide an agreed-upon framework of goals, objectives, principles, and expectations with engagement by a broad base of constituents.

Information Technology (IT)

The process of data using computers; or the creation of computer systems and applications; or the computing department of an organization.

Institutional Research (IR)

Diligent inquiry or examination to seek or revise facts, principles, theories, applications, et cetera; or laborious or continued search after truth completed by an established organization; one dedicated to education.

Missouri Community College Association (MCCA)

Represents all of Missouri's public community colleges, their employees, boards, retirees and associates. The primary mission of the association is to exert statewide leadership in support of community colleges.

Missouri Mathematics, Engineering, Technology and Science (METS) Alliance

A coalition of state business, education, and community leaders moving Missouri forward in mathematics, engineering, technology, and science. A non-for-profit organization that is a member of the National Association of State Science and Mathematics Coalitions.

The coalition has five major goals: (1) Improve the performance of all students from pre-K through graduate education (P-20); (2) Expand the pool of students motivated to pursue METS careers; (3) Expand the pool of Missouri's P-20 METS educators; (4) Establish a technology plan to support METS curriculum, Missouri Grade Level Expectations (GLEs), and assessment in Missouri; (5) Increase public awareness of importance of METS-related industries and jobs in enhancing Missouri's competitiveness and innovation.

Missouri Research & Education Network (MOREnet)

Links Missouri to a world of knowledge through a statewide research and education network. Schools, public libraries, academic institutions and state agencies linked to the network have access to a secure broadband internet connection, staff training, technical support and electronic resources, making equitable access possible across Missouri.

New Decision Item (NDI)

Request for new funds.

University of Missouri (UM)

A land grant university and Missouri's only public research and doctoral-level institution. The mission of the University of Missouri, as a land-grant university and Missouri's only public research and doctoral-level institution, is to discover, disseminate, preserve, and apply knowledge. The University promotes learning by its students and lifelong learning by 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 (UMC)

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

University of Missouri – Kansas City (UMKC)

One of the four University of Missouri Campuses, located in Kansas City, Missouri. UMKC provides instruction, research, and community service for continuous state and regional progress. It is the only university in western Missouri offering graduate and professional study at the highest academic level.

UMKC's programming focuses on three areas: visual and performing arts, health sciences, and urban affairs (academic programs such as law, business and education important to urban communities) from model undergraduate education to graduate and profession study. With emphasis on graduate and professional study, including an innovative interdisciplinary Ph.D. program, UMKC prepares scholars for the challenges of the 21st century.

In partnership with the Kansas City community and its educational institutions, UMKC is active in the region's economic and cultural development. UMKC also provides lifelong learning, including graduate and non-credit classes for business, education, and government, through its video network.

University of Missouri – Rolla (UMR)

One of the four University of Missouri Campuses, located in Rolla, Missouri. As Missouri's research technological university, UMR offers educational programs in major disciplines that are technology-based, technology-dependent, or complementary to these programs and is responsible for meeting Missouri's need for engineering education. It is a premier source of leaders for our rapidly changing society – leaders able to identify and solve complex societal and technical challenges; to create, assimilate, synthesize and communicate knowledge; to work effectively as team members in diverse environments; to adapt to change through life-long learning; and to improve quality of life for the citizens of the state and nation.

UMR conducts nationally recognized research and develops and integrates new technologies in areas, which improve the well-being of our citizens. The university stimulates economic development by creating and disseminating knowledge, by providing an educated work force, by encouraging and providing continuing education for lifelong learning, and by fostering partnerships among university, industry, and government groups. UMR emphasizes a broad range of educational and research programs with special emphasis on science and technology.

University of Missouri – St. Louis (UMSL)

One of the four University of Missouri Campuses, located in St. Louis, Missouri. UMSL is a land-grant research institution committed to meeting the diverse needs in the state's largest metropolitan community. UMSL educates traditional and nontraditional students in undergraduate, graduate and professional programs so that they may provide leadership in health professions; liberal and fine arts; science and technology; and metropolitan affairs such as business, education and public policy. University research advances knowledge in all areas, and through outreach and public service, assists in solving, in particular, problems of the St. Louis region.

Academic programs are enriched through advanced technologies and partnerships that link UMSL to institutions and businesses locally, regionally, nationally and internationally. Its special commitment to partnership provides UMSL with a leadership role among public educational and cultural institutions in improving the region's quality of life while its relations with two-and-four-year colleges and universities in the St. Louis region promote seamless educational opportunities.

University of Missouri System Offices - (UMSa)

The University of Missouri business unit that contains the system support functions of procurement, real estate, risk and insurance management, facilities and capital planning, cash management, debt management, endowment and retirement fund management, controller's office, planning and budget, institutional research, internal audit, legal counsel, information technology including administrative systems, library systems, human resources, employee benefits, University communications, and the University press, as well as the offices of the Board of Curators, President, and Vice Presidents. Primary program activities housed at UMSa include MOREnet and eMINTS.

University-Wide Resources (U-Wide)

The University of Missouri business unit where system-wide resources are accounted for. Primary examples include the self insurance funds, retirement fund, and the Endowed Chairs Program matching funds. This business unit is used to temporarily hold funds for later distribution to the campuses. This business unit does not typically have employees.

APPENDIX

University of Missouri Response to the
Program Evaluation Report of the Oversight Division

University of Missouri System Appropriations Process: Additional Description of the Process to Allocate Appropriations

The University of Missouri System receives a single appropriation for core funding. The President of the University allocates the appropriations to the campuses with the approval of the Board of Curators. The allocation decisions are made with involvement of the campus chancellors and their designees as well as other senior administrators of the institution. The allocation decisions are based on multiple factors including the following:

- Campuses' prior year recurring state appropriations base which is the starting point
- Legislative directives to the campuses as specified
- General allocations to the business units on a proportional basis to the recurring state appropriations base
- Funding for strategic investments identified by the President and Chancellors which may be allocated proportionately to the state appropriations base or to some other more appropriate base
- Adjustments to the state appropriations base for internal reorganizations (such as centralization of procurement) or to fund centrally cooperative projects/priorities of the campuses (such as library systems initiatives).

All campus generated revenues, including tuition and fees, are retained by the campus.

The System working with the campuses periodically analyzes total funding needs of each of the campuses to determine if any of its campuses are relatively more poorly funded than the other UM campuses relative to total funding needs. In the fall of 2004, the Board of Curators adopted Resource Allocation Principles that were developed by a system wide committee made up of multiple representatives from each campus and approved by the chancellors and vice presidents. The University has used these principles to guide distribution of new appropriations approved by the state. In addition, the annual allocation of funds is discussed with the chancellors, the vice presidents, and the campus vice chancellors responsible for budget planning on multiple occasions, soliciting their input prior to the allocations being finalized. A copy of the Resource Allocation Principles is attached.

University of Missouri Allocation of Appropriations FY 2003 – FY 2008

In FY 2003 the University received a 10% cut to its core appropriation of $45.9 million. In addition the University had extraordinary withholdings of $13.8 million over the governor's 3% reserve. In FY 2004 the University received an additional cut to its core appropriation of 5.5% or $22.4 million.

During the four year period, FY 2005 through FY 2008, the University received an increase in state appropriations net of the 3% withholding reserve of $40.9 million or 10.9% allocated as follows:

- 68% or $27.7 million was allocated to the campuses as a proportional increase to their base
- Approximately $7.0 million or 17% was legislatively specified
    - The University of Missouri-St. Louis received $4.9 million in net new legislatively directed funds
    - UM-Kansas City and UM-Rolla received legislatively specified net new appropriations of $1.6 million and $0.5 million respectively
- The remaining 15% or $6.2 million was used to fund strategic priorities of the campuses as described in more detail in the following section.

Detailed Information on Annual Allocations of State Appropriations (Exclusive of Legislative Directives)

While the Oversight Division indicates in the report that it appears that all legislatively directed funds during the period were allocated to the intended campus, we would like to take this opportunity to explain additionally why the increase in dollars and percent increase vary by campus and business units as shown on the year to year comparisons.

Change in Appropriations FY 2004 – FY 2005

The allocation of the 2.4% increase in state appropriations from FY 2004 to FY 2005, exclusive of legislative directives, was driven by the following strategic investments:

- $3.5 million (net) in allocations for campus strategic initiatives ranging from 0.9% to 1.1% of their state appropriations base
- Allocation of $940,000 for a joint library initiative budgeted at the system library office and funded by $500,000 (net) in new appropriations and $440,000 in matching funds from the campuses
- $5.0 million (net) was allocated to the U-Wide business unit. $1.0 million was used to fund the match payout on a new endowed chairs program that enabled the campuses to generate $13.1 million in private donations for 9 new endowed chairs. The remaining $4.0 million was used on a one-time basis as matching funds for $4 million in private gifts raised by the campuses for an endowed need-based scholarship program and was allocated on a recurring basis to the campuses in FY 2006 proportional to their base.

Change in Appropriations FY 2005 – FY 2006

The only new state appropriations for FY 2006 were legislatively directed to UM-Kansas City. However, the $4.0 million used in FY 2005 as matching funds for the endowed need-based scholarship program was reallocated to the campuses in FY 2006 proportional to their base.

Change in Appropriations FY 2006 – FY 2007

The change from FY 2006 to FY 2007, exclusive of legislative directives was driven by the following factors:

- 2% general allocation to the campuses and other system units proportional to the base

- A $0.3 million (net) transfer from OA to cover costs shifted from OA to the University for unemployment compensation which was budgeted centrally
- A $200,000 transfer from the campuses to the system library office for increases in the campuses' MOBIUS dues budgeted centrally
- A $0.5 million reclassification from U-Wide to the system office related to Academic Affairs programming.

Change in Appropriations FY 2007 – FY 2008

The change from FY 2007 to FY 2008, exclusive of legislative directives was driven by the following factors:

- 4% general allocation to the campuses and other system units proportional to their base
- A $728,000 (net) investment in the Next Generation Fiber Network budgeted centrally
- A $40,000 (net) investment in the MOST Scholarship budgeted centrally
- A $200,000 transfer from the campuses to the system library office for increases in the campuses' MOBIUS dues budgeted centrally.

Annual Allocation of State Appropriations schedules are attached for years FY 2003 through FY 2008.

The FY 2008 Legislative Directive – Additional Information

In April 2005, Senator Chuck Gross requested from President Elson Floyd a five-year funding plan to address the needs of the University of Missouri-St. Louis. In a letter dated April 28, 2005, President Floyd responded with a five-year plan. The plan indicated the commitment to raise the base at UMSL by $10.8 million in funding over and above customary increases for the University of Missouri campuses.

The $10.8 million in the Five Year Plan was based on a study done by the Department of Higher Education. The plan description states that "the allocation of additional funds to the St. Louis campus will be dependent on and subject to new state dollars appropriated for operations above the FY 2005 level and **over and above any percent increase appropriated for the University of Missouri and other higher education institutions as a group.**" From FY 2005-FY 2007, UMSL received a total of $5.3 million in special state appropriations or reallocations from the UM System budget.

Correspondence in April and May, 2007 between Interim President Lamb and Senator Gross, Representative Nodler, and Representative Icet addressed additional equity funding for UM-St. Louis. While the legislative leadership expressed its intention that UM-St. Louis receive $1.0 million off the top of the FY 2008 appropriation for equity, Interim President Lamb indicated that UMSL would not receive any special allocation to address equity because (1) the University of Missouri did not receive the 12.6% increase requested for FY 2008 and (2) it did not receive any new appropriated dollars for operations over and above any percent increase appropriated for UM and other higher education institutions as a group.

In the spirit of cooperation, Interim President Lamb did indicate that he would find $300,000 in additional recurring funding from UM System resources for UMSL beginning in FY 2008. The

latter has occurred through an internal reallocation from the system office, and with the $97,000 net addition by the conference committee for the UMSL Ethics Institute, UMSL has received to date a total of $5.7 million (net) in additional funding, of which $4.9 million (net) was from new state appropriations and $0.8 million was from reallocations. In addition, in the FY 2009 appropriation request, the Board of Curators has requested an additional $2.6 million to address half of the remaining equity funding gap.

4. In addition to base funding, the Board may make strategic investments and performance based allocations. Funding for these investments will come from new state dollars and will not exceed 1% of recurring state dollars.
   A. The strategic investments may include allocations for specific purposes, unique resource needs, and mission based initiatives (including funding for system-wide cooperative programs).

   B. Performance-based allocation provides the Board the opportunity to link resources with the priorities in the Board approved strategic plans. The performance-based allocations are one-time, non-recurring "bonuses." This does not preclude the possibility of a campus receiving a performance-based allocation for high performance in the same area in successive years.
      1. Performance measures such as graduation rates, student and faculty achievement, quality of academic programs, cost savings, collaboration among campuses, innovation in teaching methods, increase in externally funded (e.g. restricted) research, growth in gifts and development results, and retention rates that are tied to system and campus strategic plans would be identified.
      2. The total performance-based portion will be added to the total university base in subsequent years for allocation as either part of the base or for investment in new initiatives.

5. As a land grant university, University Outreach and Extension is an integral part of the University's mission. University Outreach and Extension has been funded primarily by county, state and federal appropriations in compliance with Smith-Lever Act regulations and state and federal grants. As federal and state support shrink, program offerings will need to be adjusted to match county, state, and federal resources or other sources of funding will need to be identified.

6. System administration, which provides unduplicated services in finance, human resources, information technology, government relations, and legal counsel, has been funded primarily by state appropriations and investment income.
   A. The costs for providing services must continue to be controlled and/or reduced to the extent possible without jeopardizing service quality.
   B. A budget stabilization fund will be built to smooth the fluctuations in resources provided from investment income.
   C. To the extent that other actions or the budget stabilization fund do not cover the shortfall from a decline in state appropriations and investment income, the campuses may need to be assessed to make up the difference.

Allocation of State Appropriations for FY 2003

	Net State Appropriations								Unallocated	Total State
	UMC	UMKC	UMR	UMSL	UM Extension	UMSa	U-Wide	Total	Withholding	Appropriations
FY 2002 Recurring State Base	$199,028,288	$86,571,019	$52,220,819	$54,781,599	$29,625,293	$15,353,599	$5,760,640	$443,341,257	$13,711,586	$457,052,843
Allocation of Core Appropriation Cuts										
FY 2003 Governor's Recommendation								$399,007,132	$12,340,427	$411,347,559
Change in Spendable Base								($44,334,125)	($1,371,159)	($45,705,284)
General Allocation (Core Cut in State Appropriations)	(19,670,419)	(8,556,012)	(5,161,103)	(5,414,190)	(2,927,935)	(1,517,430)	(1,087,036)	(44,334,125)	(1,371,159)	(45,705,284)
Recurring Transfer for Purchasing Reorganization	(1,233,479)	(444,967)	(211,466)	(225,068)		2,114,980		-		-
Subtotal	$178,124,390	$77,570,040	$46,848,250	$49,142,341	$26,697,358	$15,951,149	$4,673,604	$399,007,132	$12,340,427	$411,347,559
Adjustment to equal final appropriation	(87,457)	(38,085)	(23,002)	(24,128)	(13,108)	(7,830)	(390)	(194,000)	(6,000)	(200,000)
FY 2003 Original Budget Recurring State Base	$178,036,933	$77,531,955	$46,825,248	$49,118,213	$26,684,250	$15,943,319	$4,673,214	$398,813,132	$12,334,427	$411,147,559
Recurring Transfers						24,938	(24,938)	-		-
Recurring Trf. Procurement Adj. (5/03)	162,960					(162,960)		-		-
Academic Affairs Trf. (6/03)						208,000	(208,000)	-		-
Revised FY 2003 Recurring State Base	$178,199,893	$77,531,955	$46,825,248	$49,118,213	$26,684,250	$16,813,297	$4,440,276	$398,813,132	$12,334,427	$411,147,559
% Distribution	44.7%	19.4%	11.7%	12.3%	6.7%	4.0%	1.1%	100.0%		
Extraordinary Withholding										
Withholding Allocated to System Res. 2/14/03(1)	$0	$0	$0	$0	$0	($4,581,587)	$0	($4,581,587)	$4,581,587	$0
System 2.5% withholding on Base 2/14/03 (2)						(399,206)	(19,207)	(418,413)	418,413	-
Campuses 1.2% withholding on Base 2/14/03	(2,151,951)	(937,137)	(565,982)	(593,697)	(322,535)	-	-	(4,571,302)	4,571,302	-
System covered half of UMSL Withholding				296,848		(296,848)		-		-
Total Add'l Withholding, 2/14/03	($2,151,951)	($937,137)	($565,982)	($296,849)	($322,535)	($5,277,641)	($19,207)	($9,571,302)	$9,571,302	$0
Withholding as a Percent of State Base	-1.2%	-1.2%	-1.2%	-0.6%	-1.2%	-33.1%	-0.4%	-2.4%		
Additional Withholding 5/23/03 (2)	(1,927,999)	(838,842)	(506,617)	(531,425)	(288,705)	(171,002)	(8,312)	(4,272,902)	4,272,902	-
Recurring Transfers with no impact on FY 2003	(162,960)					(45,040)	208,000	-		-
Extension Allocation & Rounding	5,037,976	54,038	151,214	34,730	(5,277,958)	(3)	-	(3)	3	-
FY 2003 State Appropriations Received	$178,994,959	$75,810,014	$45,903,863	$48,324,669	$20,795,052	$10,519,611	$4,620,757	$384,968,925	$26,178,634	$411,147,559

Notes:

(1) $1,000,000 cut applied directly to Research Board Awards and the remaining cuts allocated proportionately to the campuses on their state base excluding the Endowed Chairs Matching funds.

(2) Endowed Chairs excluding from extraordinary withholding allocation.

Allocation of State Appropriations for FY 2004

	Net State Appropriations								Unallocated Withholding	Total State Appropriations
	UMC	UMKC	UMR	UMSL	UM Extension	UMSs	U-Wide	Total		
FY 2003 Recurring State Base	$178,199,893	$77,531,955	$46,825,248	$49,118,213	$26,684,250	$16,013,297	$4,440,276	$398,813,132	$12,334,427	$411,147,559
FY 2004 core cut in state appropiations (1)	(9,807,783)	(4,267,211)	(2,577,173)	(2,703,373)	(1,468,650)	(881,341)	(30,837)	(21,736,368)	($672,259)	(22,408,627)
FY 2004 Original Budget Recurring State Base	$168,392,110	$73,264,744	$44,248,075	$46,414,840	$25,215,600	$15,131,956	$4,409,439	$377,076,764	$11,662,168	$388,738,932
FY 2004 Recurring Base Transfers										
Position transfer	35,844					(35,844)		-		-
University Events position transfer	40,960					(40,960)		-		-
Clark Hall PM&O and Utilities trf.	93,000				(93,000)			-		-
Governmental Relations reorganization	(120,000)	(68,400)	(30,000)	(93,700)		312,100		-		-
Revised FY 2004 Recurring State Base	$168,441,914	$73,196,344	$44,218,075	$46,321,140	$25,122,600	$15,367,252	$4,409,439	$377,076,764	$11,662,168	$388,738,932
% Distribution	44.7%	19.4%	11.7%	12.3%	6.7%	4.1%	1.2%	100.0%		
Nonrecurring State Appropriations Allocations/Adjustments										
FY 2004 Extra Ordinary Withholding final	-	-	-	-	-	-	-	-	-	-
Extension Allocations	4,695,394	115,510	182,685	83,628	(5,077,217)			-		-
Recurring Transfers with no impact on FY 2004	(98,159)	17,100		15,617	93,000	(27,558)		-		-
FY 2004 State Appropriations Receipts	$173,039,149	$73,328,954	$44,400,760	$46,420,385	$20,138,383	$15,339,694	$4,409,439	$377,076,764	$11,662,168	$388,738,932

Notes:

(1) Endowed Chairs Match Held Harmless

Allocation of State Appropriations for FY 2005

	Net State Appropriations								Unallocated Withholding	Total State Appropriations
	UMC	UMKC	UMR	UMSL	UM Extension	UMSs	U-Wide	Total		
FY 2004 Recurring State Base	$168,441,914	$73,196,344	$44,218,075	$46,321,140	$25,122,600	$15,367,252	$4,409,439	$377,076,764	$11,662,168	$388,738,932
Legislative Directives										
Target Increase to UMSL				2,668,174				2,668,174	82,521	2,750,695
Balance To Be Allocated Later							9,049,838	9,049,838	279,896	9,329,734
Total FY 2005 Recurring Base	$168,441,914	$73,196,344	$44,218,075	$48,989,314	$25,122,600	$15,367,252	$13,459,277	$388,794,776	$12,024,585	$400,819,361
Extension Adjustment	8,928,975				(8,928,975)			-		-
FY 2005 Original Budget Recurring State Base	$177,370,889	$73,196,344	$44,218,075	$48,989,314	$16,193,625	$15,367,252	$13,459,277	$388,794,776	$12,024,585	$400,819,361
Recurring Base Adjustments										
Allocation for Campus Strategic Init.	1,562,603	$679,403	$500,000	500,000	234,049	$23,945	(3,500,000)	-		-
Allocation for Joint Library Initiative	(223,000)	(97,000)	(58,500)	(61,400)		939,900	(500,000)	-		-
UMC Distributed Graduate LIS Program	70,000						(70,000)	-		-
Extension Adjustment Reversal	(8,928,975)				8,928,975			-		-
Western Historical Manuscripts - UMR						15,000	(15,000)	-		-
Return of University Events Coordinator position	(40,960)					40,960		-		-
FY 2005 Recurring State Appropriations Base	$169,810,557	$73,778,747	$44,659,575	$49,427,914	$25,356,649	$16,387,857	$9,374,277	$388,794,776	$12,024,585	$400,819,361
% Distribution	43.7%	19.0%	11.5%	12.7%	6.5%	4.2%	2.4%	100.0%		
One-time Allocations of Recurring State Funds										
Extension Allocations	6,827,608	115,510	182,685	83,628	(7,209,431)			-		-
Base entry with no impact on FY 2005 receipts	40,960					(40,960)		-		-
Rounding				1		(4)	3	-		-
FY2005 State Appropriations Receipts	$176,679,125	$73,894,257	$44,842,260	$49,511,543	$18,147,218	$16,346,093	$9,374,280	$388,794,776	$12,024,585	$400,819,361

Allocation of State Appropriations for FY 2006

	Net State Appropriations								Unallocated Withholding	Total State Appropriations
	UMC	UMKC	UMR	UMSL	UM Extension	UMSa	U-Wide	Total		
FY 2005 Recurring State Base	$169,810,557	$73,778,747	$44,659,575	$49,427,914	$25,356,649	$16,387,057	$9,374,277	$388,794,776	$12,024,585	$400,819,361
General Allocation (1)	1,790,712	777,835	470,837	521,109	267,330	172,177	(4,000,000)	-		-
Withholding Adjustment							3	3	(3)	-
Legislative Directives										
UMKC Dental School		970,000						970,000	30,000	1,000,000
FY 2006 State Appropriations - Original Budget	$171,601,269	$75,526,582	$45,130,412	$49,949,023	$25,623,979	$16,559,234	$5,374,280	$389,764,779	$12,054,582	$401,819,361
Base Allocation to UMSL/ Withholding Adjustment				521,109		(521,109)		-		-
FY2006 Recurring State Appropriations Base	$171,601,269	$75,526,582	$45,130,412	$50,470,132	$25,623,979	$16,038,125	$5,374,280	$389,764,779	$12,054,582	$401,819,361
% Distribution	44.0%	19.4%	11.6%	12.9%	6.6%	4.1%	1.4%	100.0%		
FY 2006 One-time Allocations of Recurring Funds/Rounding										
Rounding						1		1	(1)	-
FY 2006 State Appropriations Receipts	$171,601,269	$75,526,582	$45,130,412	$50,470,132	$25,623,979	$16,038,126	$5,374,280	$389,764,780	$12,054,581	$401,819,361

Notes:

(1) These funds were appropriated in FY 2005 and used as matching funds for the campuses Endowed Need-based Scholarship Program in FY 2005 and were allocated proportionately to the campuses in FY 2006 on a recurring basis.

Allocation of State Appropriations for FY 2007

	Net State Appropriations								Unallocated	Total State
	UMC	UMKC	UMR	UMSL	UM Extension	UMSs	U-Wide	Total	Withholding	Appropriations
FY 2006 Recurring State Base	$171,601,269	$75,526,582	$45,130,412	$50,470,132	$25,623,979	$16,038,125	$5,374,280	$389,764,779	$12,054,582	$401,819,361
Unemployment Compensation Cost Transfer from OA						$296,278		$296,278	$9,163	$305,441
Special Allocation to the Endowed Chairs							150,000	150,000	4,639	154,639
General Allocation (2%) on Revised Base (1)	3,365,821	1,462,367	885,197	979,710	502,594	324,796	105,412	7,625,897	235,851	7,861,748
FY2007 Budget Original Allocation	$174,967,090	$76,988,949	$46,015,609	$51,449,842	$26,126,573	$16,659,199	$5,629,692	$397,836,954	$12,304,235	$410,141,189
Legislative Directives - Conference Committee										
UMSL Equity Funding				$1,940,000				$1,940,000	$60,000	$2,000,000
UMSL Ethics Program				194,000				194,000	6,000	200,000
UMKC People First Core Cut		(97,000)						(97,000)	(3,000)	(100,000)
UMKC Anesthesiology Program		727,500						727,500	22,500	750,000
MOBIUS Dues Increase	(105,800)	(55,740)	(10,680)	(27,780)		200,000		-		-
Reclassification of Academic Affairs Funds						494,439	(494,439)	-		-
FY 2007 Original Budget Recurring State Base	**$174,861,290**	**$77,563,709**	**$46,004,929**	**$53,556,062**	**$26,126,573**	**$17,353,638**	**$5,135,253**	**$400,601,454**	**$12,389,735**	**$412,991,189**
% Distribution	43.6%	19.4%	11.5%	13.4%	6.5%	4.3%	1.3%	100.0%		
FY 2007 One-time Allocations of Recurring Funds (2)										-
FY 2007 Release of withholding on Lottery & Rounding							1,106,088	1,106,088	(1,106,088)	-
FY 2007 State Appropriations Received Est.	$174,861,290	$77,563,709	$46,004,929	$53,556,062	$26,126,573	$17,353,638	$6,241,341	$401,707,542	$11,283,647	$412,991,189

Notes:

(1) The $1 million appropriation to the UMKC Dental School was excluded from the 2% increase in the governor's recommendation. The 2% general allocation does not allocate a 2% increase to these funds.

(2) This schedule will not be finalized until the University's FY 2007 books are closed.

Allocation of State Appropriations for FY 2008

	Net State Appropriations								Unallocated	Total State
	UMC	UMKC	UMR	UMSL	UM Extension	UMSa	U-Wide	Total	Withholding	Appropriations
FY 2007 Recurring State Base	$174,861,290	$77,563,709	$46,004,929	$53,556,062	$26,126,573	$17,353,638	$5,135,253	$400,601,454	$12,389,735	$412,991,189
Legislative Directives										
UMR/MSU Cooperative Engineering Program			485,000					485,000	15,000	500,000
UMSL Ethics Institute - Conference Committee Addition				97,000				97,000	3,000	100,000
UMSL Equity Funding				300,000		(300,000)		-		-
Total Legislative Directives	$0	$0	$485,000	$397,000	$0	($300,000)	$0	$582,000	$18,000	$600,000
Strategic Initiatives										
Next Generation Fiber Network						728,000		728,000	55,670	783,670
MOST Scholarship							40,000	40,000	1,237	41,237
MOBIUS Assessment	(104,000)	(56,000)	(12,000)	(28,000)		200,000		-		-
General Allocation (4% proportional on base)	7,008,944	3,108,977	1,844,010	2,146,681	1,047,228	695,584	205,836	16,057,260	463,463	16,520,723
FY 2008 Original Budget Recurring State Base	$181,766,234	$80,616,686	$48,321,939	$56,071,743	$27,173,801	$18,677,222	$5,381,089	$418,008,714	$12,928,105	$430,936,819
% Distribution	43.5%	19.3%	11.6%	13.4%	6.5%	4.5%	1.3%	100.0%		
Recurring Transfers (1)										
FY 2008 One-time Allocations of Recurring Funds (1)										-
Rounding										-
FY 2008 State Appropriations Received Estimate	$181,766,234	$80,616,686	$48,321,939	$56,071,743	$27,173,801	$18,677,222	$5,381,089	$418,008,714	$12,928,105	$430,936,819

Notes:

(1) This schedule prepared 6/27/07 is in draft form and will not be finalized until the University's books are closed around September 1, 2008. It does not include allocation decision made after 6/27/07.