



# Budget Basics: Higher Education

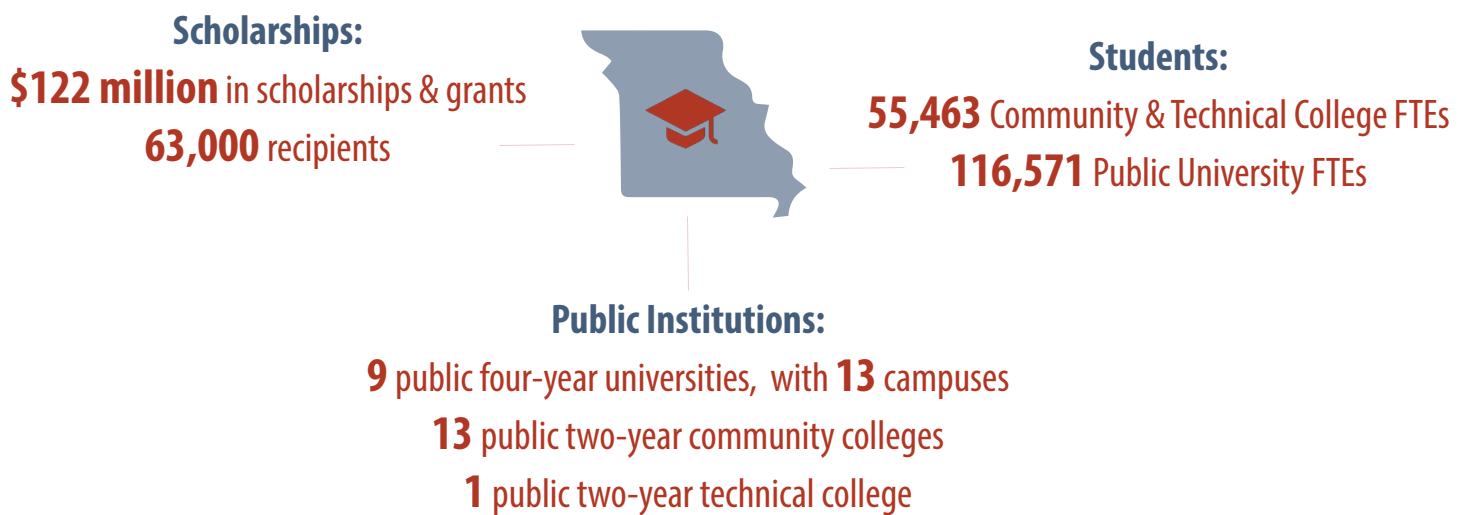


## FY 2019

**An introduction to Missouri's  
higher education  
services and funding**

## Higher Education

Missouri's state budget provides funding for the 172,000 students attending Missouri's 23 public higher education institutions as well as oversight & administration to the nearly 140,000 students attending private colleges & universities, proprietary & career schools, and career centers in Missouri. Not only has higher education long been associated with better lifetime health and economic outcomes for individuals; higher education also benefits the state as a whole by developing a skilled and educated workforce that contributes to a better economy and shared prosperity for all Missourians.

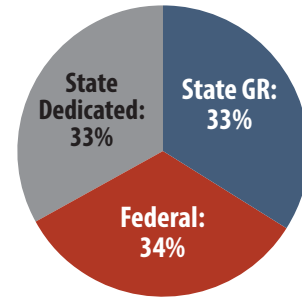


This primer is intended to serve as a guide for Missourians who care about higher education, and increase the transparency of the budget by providing information on where key programs can be found in the budget bills. **Amounts included are Appropriated and reflect Gubernatorial vetoes, but not any mid-year restrictions that may have been made.**

## Budget Basics

Each year the state takes in and spends approximately \$28 billion.

- About one third of the funds come from the federal government for very specific purposes.
- Another third is state revenue dedicated to specific state purposes, like the fuel tax, which is dedicated to transportation.
- Lawmakers have the most authority to allocate the final third, referred to as General Revenue.



Higher education programs and services in Missouri are funded through the Department of Higher Education (DHE). [House Bill 3]

In order to track appropriations for a specific program, one must locate the appropriate budget bill and section number. (available at <https://oa.mo.gov/budget-planning/>)

Section # 11.235

The digits before the decimal indicate the bill number.

The numbers after the decimal show the section of that budget bill

See Appendix for a detailed list of specific higher education programs, relevant section numbers, and FY2019 funding levels and sources.

**Unless otherwise noted, all data on funding levels & sources, eligibility criteria, and program enrollment & efficacy were obtained from the 2020 Department Budget Requests through the Office of Administration, Division of Budget Planning <https://oa.mo.gov/>.**

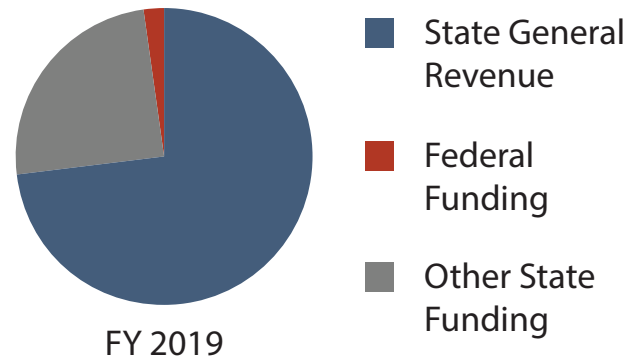
# Overview of Funding for Higher Education

This primer describes the primary sources of funding for higher education in Missouri.

The Department of Higher Education budget for FY2019 is \$1.18 billion and accounts for 4.1% of the total state budget, including state and federal funding.

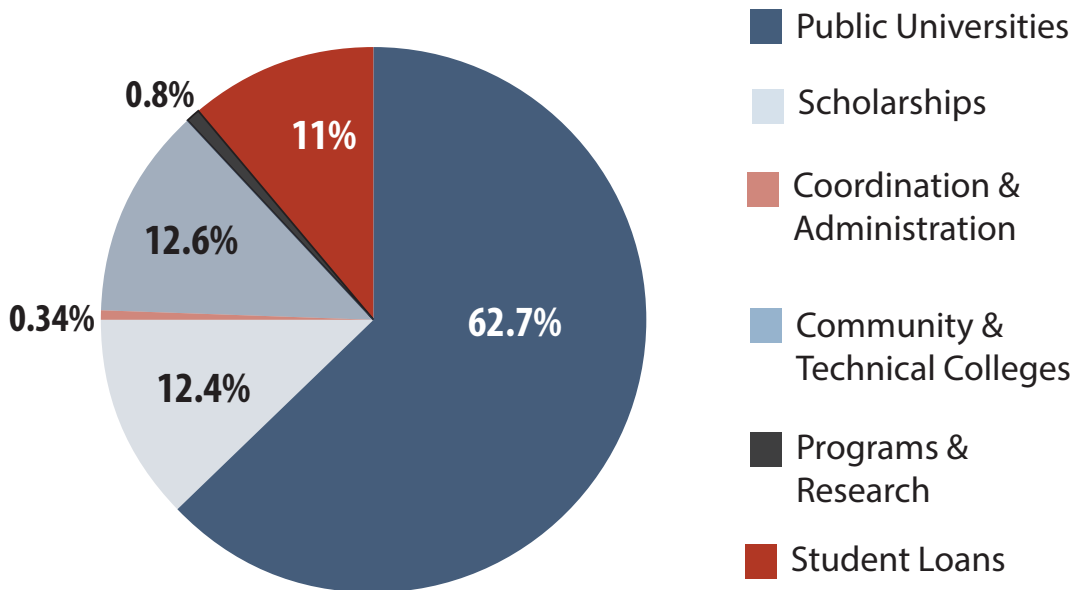
The DHE budget is financed almost entirely with general revenue funds and earmarked funds, with general revenue dollars accounting for three-quarters of the total department budget.

**Total Higher Education Spending, by Source of Funding**



Core support to Missouri’s public universities and colleges accounts for over three-quarters of the Department of Higher Education budget. The bulk of the remaining funding is appropriated toward financial assistance through scholarships or student loans.

**Total Higher Education Spending, by Type of Appropriation**



## Missouri's Public Colleges & Universities

The Missouri Department of Higher Education provides core funding to Missouri's public higher education institutions including 13 community colleges, 13 public four-year universities (four of which are part of the University of Missouri system), and one state technical college.

	<b>FY 2019 Appropriation</b>	<b>FY 2018 FTE<sup>i</sup></b>	<b>Funding Per FTE</b>	<b>FY 2019 Tuition &amp; Fees<sup>ii</sup></b>
<b>Community Colleges</b>	\$145,570,515	54,221	\$2,685	\$3,591
<b>State Technical College of Missouri</b>	\$5,560,371	1,242	\$4,477	\$6,120
<b>University of Central Missouri</b>	\$54,538,357	9,468	\$5,760	\$7,593
<b>Southeast Missouri State University</b>	\$45,079,469	9,000	\$5,009	\$7,418
<b>Missouri State University</b>	\$84,351,060	19,741	\$4,273	\$7,376
<b>Lincoln University</b>	\$16,670,193	2,035	\$8,192	\$7,632
<b>Truman State University</b>	\$40,860,322	5,482	\$7,454	\$7,749
<b>Northwest Missouri State University</b>	\$30,386,117	5,316	\$5,716	\$9,805
<b>Missouri Southern State University</b>	\$25,431,242	4,859	\$5,234	\$6,667
<b>Missouri Western State University</b>	\$21,446,755	4,074	\$5,264	\$6,910
<b>Harris-Stowe State University</b>	\$9,911,260	1,254	\$7,904	\$6,138
<b>University of Missouri System<sup>iii</sup></b>	\$418,511,876	55,342	\$7,562	\$10,019

*i. Full-time equivalent (FTE) enrollment figures adjust for the enrollment of part-time students and allow for more accurate comparison across institutions.*

*ii. Average tuition & fees for a full-time, in-state/in-district undergraduate student based on the Missouri Comprehensive Fee Survey for Public Institutions of Higher Education.*

*iii. The University of Missouri System consists of the University of Missouri ("Mizzou"), University of Missouri - Kansas City, University of Missouri - St. Louis, and Missouri University of Science and Technology in Rolla).*

## Core Funding & Distribution of Funding Increases

Missouri's public colleges and universities develop and submit funding requests each year to the Department of Higher Education (DHE). DHE reviews these requests and develops its overall department budget based on the funding needs of each public college, funding requirements to support departmental operations, student financial assistance programs and capital funding.

### Distributing Core Funding Increases: The "Increase Allocation Model"

Legislation passed in 2014 (Senate Bill 492) authorized a new model for increases in core funding for higher education, referred to as the "increase allocation model." Increases in core funding over the previous year are based on the following calculation:

- **At least 90% of annual core increases are distributed based on performance measures**
- **No more than 10% of annual core increases are distributed based on equity.**

In addition to core funding, the Department can request additional funding for new or extraordinary needs. For example, the Department's budget request for Fiscal Year 2020 includes a \$55 million request to develop workforce initiatives.

Any core increases granted in one year then become the basis for core funding the following year.

Note: The legislation specifically indicates that the legislature may otherwise appropriate state funding.

**Performance funding:** At least 90% of annual core funding increases must be allocated based on six measures related to student performance & post-graduation success.<sup>1</sup>

In FY 2018 & FY 2019, no performance funding was appropriated, despite over 90% of institutions meeting at least 5 performance measures.<sup>2</sup>

**Equity Funding:** As illustrated in the previous table, funding per student at Missouri Universities varies widely. This is in part because the cost of educating students differs depending on the type and level of degrees offered at each institution; but also because core funding for Universities in Missouri has not traditionally been tied closely to enrollment.

Equity funds may be used to narrow the per student funding disparities within sector by using a weighted enrollment model that adjusts for differences in per student costs. No more than 10% of funding increases may be used to address these types of funding inequities within institutional sector.

## **Scholarships & Financial Aid**

**In FY2018 the Missouri Department of Higher Education awarded over 63,000 scholarships and grants totalling nearly \$122 million.**

Over 99% of the funds are distributed through three programs:

**The Missouri Higher Education Academic or “Bright Flight” Scholarship Program** is a merit based scholarship that incentivizes Missouri seniors in the top 5th percentile of ACT/SAT scores to attend a college or university in Missouri.

**In the current year, Bright Flight is projected to award 7,588 scholarships.**

**The A+ schools Program** provides tuition and fee reimbursement to attend a community, technical or vocational school in Missouri. Eligible students must attend a designated A+ high school and meet designated academic requirements.

**In FY2019, the A+ Program will award 13,052 scholarships to students from 620 A+ designated schools.**

**The Access Missouri Financial Assistance Program** is a needs-based grant that provides financial assistance for students attending two- year or four-year institutions in Missouri.

**In the current year, the Access Missouri Program is projected to provide financial assistance to 44,000 Missouri students.**

**The Missouri Student Loan Program oversees and insures the \$1.2 billion in outstanding student loans in Missouri.**

- The program is a guarantor agency for federal student loans in Missouri.
- Its role is to ensure compliance, provide collection assistance, and support borrowers through entrance and exit counseling and other educational programs.

## Administration, Oversight, & Planning

**The Coordinating Board for Higher Education** is responsible for developing and implementing a statewide plan for higher education in Missouri.

- The board works with the administrative arm of the DHE to study population & enrollment trends, as well as identify higher education and workforce needs.
- The board also works to ensure collaboration between institutions and with the Department of Elementary and Secondary Education & the Department of Economic Development.

**The Missouri State Budget also provides funding for several university led programs including:**

- **Project Lead the Way:** Promotes & facilitates STEM education in Missouri school districts.
- **The St. Louis International Collaboration:** Attracts and retains new economic activity to the St. Louis region.
- **Missouri Telehealth Network:** Gives patients in underserved areas remote access to University of Missouri Health Care specialists.
- **Spinal Cord Injury Fund:** Supports research in Missouri in the area of spinal cord injuries and congenital or acquired disease processes.
- **Missouri Kidney Program:** Provides financial assistance to eligible Missourians who have kidney failure and are on dialysis and supports research and education.
- **State Historical Society:** Collects, preserves, makes accessible, and publishes materials pertaining to the history of the state and region.



## APPENDIX

Amounts shown are Appropriated and reflect Gubernatorial vetoes, but do not include any mid-year restrictions that may have been made.

Program	Budget Section	FY19 GR	FY19 Federal	FY19 Other	FY19 TOTAL
Coordinating Board for Higher Education & Grant/Scholarship Administration	3.005	2,993,325	\$0	180,839	\$3,174,164
Proprietary Schools Administration	3.010	\$0	\$0	\$309,960	\$309,960
Midwestern Higher Education Compact	3.020	\$115,000	\$0	\$0	\$115,000
Statewide Student Web Portal	3.030	\$0	\$0	\$500,000	\$500,000
Bright Flight	3.050	\$0	\$0	\$25,676,666	\$25,676,666
Access Missouri Financial Assistance	3.060	\$0	\$0	\$78,500,000	\$78,500,000
A + Schools Program	3.070	\$0	\$0	\$43,000,000	\$43,000,000
Marguerite Ross Barnett Scholarship	3.075	\$413,375	\$0	\$0	\$413,375
Advanced Placement Incentive Grant	3.080	\$0	\$0	\$100,000	\$100,000
Public Service Officer Survivor Grant Program	3.080	\$140,000	\$0	\$0	\$140,000
Marguerite Ross Barnett Scholarship	3.080	\$0	\$0	\$500,000	\$500,000
Wartime Veterans Survivor Grant Program	3.080	\$301,250	\$0	\$0	\$301,250
Kids Chance Scholarship Program	3.085	\$0	\$0	\$15,000	\$15,000
Minority & Underrepresented Environmental Literacy Program	3.090	\$32,964	\$0	\$0	\$32,964
Advantage Missouri Program	3.095	\$0	\$0	\$15,000	\$15,000
Student Loan Program Administration	3.100	\$0	\$0	\$3,716,149	\$3,716,149

<b>Loan compliance</b>	3.100	\$0	\$0	\$8,500,000	\$8,500,000
<b>Federal Student Loan Reserve Fund</b>	3.110	\$0	\$0	\$120,000,000	\$120,000,000
<b>Community College Appropriations</b>	3.200	\$135,080,524	\$0	\$10,489,991	\$145,570,515
<b>State Technical College of Missouri Appropriations</b>	3.205	\$4,994,154	\$0	\$566,217	\$5,560,371
<b>University of Central Missouri</b>	3.210	\$48,287,398	\$0	\$6,250,959	\$54,538,357
<b>Southeast Missouri State University</b>	3.215	\$39,943,712	\$0	\$5,135,757	\$45,079,469
<b>Missouri State University</b>	3.220	\$74,330,941	\$0	\$10,020,119	\$84,351,060
<b>Lincoln University</b>	3.225	\$14,656,121	\$0	\$2,014,072	\$16,670,193
<b>Lincoln University Land Grant Match</b>	3.225	\$4,000,000	\$0		\$4,000,000
<b>Truman State University</b>	3.230	\$36,084,157	\$0	\$4,776,165	\$40,860,322
<b>Northwest Missouri State University</b>	3.235	\$26,843,377	\$0	\$3,542,740	\$30,386,117
<b>Missouri Southern State University</b>	3.240	\$22,799,731	\$0	\$2,631,511	\$25,431,242
<b>Missouri Western State University</b>	3.245	\$18,852,428	\$0	\$2,594,327	\$21,446,755
<b>Harris-Stowe State University</b>	3.250	\$8,562,281	\$0	\$1,348,979	\$9,911,260
<b>University of Missouri</b>	3.255	\$370,269,128	\$0	\$48,242,748	\$418,511,876
<b>Improving Teacher Quality State Grants Program</b>	3.025	\$0	\$1,249,157	\$0	\$1,249,157
<b>Project Lead the Way</b>	3.127	\$200,000	\$0	\$0	\$200,000
<b>St. Louis International Collaboration</b>	3.260	\$450,000	\$0	\$0	\$450,000
<b>Missouri Telehealth Network</b>	3.265	\$1,500,000	\$0	\$437,640	\$1,937,640
<b>Spinal Cord Injury</b>	3.270	0	\$0	\$1,500,000	\$1,500,000
<b>Missouri Kidney Program</b>	3.275	\$1,750,000	\$0	\$0	\$1,750,000
<b>State Historical Society</b>	3.280	\$2,954,367	\$0	\$0	\$2,954,367

## Notes

1. For more information about performance indicators for Missouri's four-year public universities, community colleges, or the State Technical College, see Missouri Department of Higher Education: Fiscal Year 2018 Overview, available at: <https://dhe.mo.gov/about/documents/fy18annualreport.pdf>
2. Missouri Department of Higher Education: Fiscal Year 2018 Overview