



UNIVERSITY OF MISSOURI SYSTEM

Fiscal Year 2011

Appropriations Request for Operations

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University of Missouri System

Fiscal Year 2011

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FY2011 APPROPRIATIONS REQUEST FOR OPERATIONS

TABLE OF CONTENTS

GENERAL OPERATIONS

	<u>PAGE</u>
SUMMARIES:	
President's Message.....	1
Statistical Highlights.....	3
Executive Summary.....	5
Organizational Chart.....	10
Appropriations Request Unrestricted Funds Summary.....	11
Educational & General Current Fund Expenditures (Form 1).....	12
Unrestricted Instructional Expenditures by Instructional Cost Center (Form 1-A).....	13
Educational & General Current Fund Revenues (Form 2).....	14
Unrestricted Educational and General Personal Service Expenditures Detail (Form 3).....	15
CORE PROGRAMS: Core Budget Request Analysis (Form 4).....	16
FY 2011 CORE DECISION ITEMS (Form 5):	
Increase to Core Budget for Annual Merit Increase and On-Going Costs	23
Cost to Continue	26
Increased M&R Investment	30
Missouri Returning Heroes Act	32

OTHER PROGRAMS

Summary of Other Program Requests	33
University of Missouri Hospitals and Clinics	34
Missouri Rehabilitation Center	47
Missouri Institute of Mental Health	58
Missouri Kidney Program.....	67
Missouri Research and Education Network (MOREnet)	79
Missouri Telehealth Network.....	96
Alzheimer's Program.....	112
Spinal Cord Injury Fund	115
State Seminary Fund	118
State Historical Society of Missouri	122

Summaries

The University of Missouri System: Working for Our State

Each year as we prepare our state budget request, we reflect on the level of support needed to ensure that the quality and integrity of the University of Missouri is maintained. The university's request for state appropriations funding for operations in Fiscal Year 2011 is \$519 million. While economic conditions and state budget issues mitigate against our receiving this request in total we feel it is imperative that Missourians understand the fiscal support necessary for the university to fulfill its mission as the state's only land-grant, doctoral-granting, research institution.

The university's first priority continues to be the funding of our recurring core appropriations of \$451.5 million. This may be challenging in FY2011 because \$49.8 million of general revenue was replaced with onetime federal budget stabilization funding in FY2010. Therefore, it is critically important that this onetime funding be restored with permanent state funding in FY2011. The other items which are detailed within the request address needed investments in our employees and our buildings as well as funding to support significant enrollment growth,

Cognizant of the responsibility to use our resources wisely and to keep a University of Missouri education affordable, we have worked to control expenditures through administrative efficiencies and increase revenues from other sources to balance the budget and continue operations. In FY2009, the university continued to implement a number of cost containment measures, including hiring and spending freezes, business process improvement, academic program consolidation, and energy conservation to address growing financial concerns due to the economy. These measures had a total financial impact of close to \$64 million. While on-going cost containment is critical, continuation at this level over the long term has an impact service levels.

This year, in recognition of the need to be more transparent and accountable to the public, we have developed a set of over eighty measures in the areas of teaching and learning, research and discovery, community service and outreach, economic development, and resource management. Each of these measures has a three year target, and we have used external benchmarks and peer comparators to evaluate our performance.

I am convinced that the students, the state's economy, and our future as citizens are the better because of the work we do at our great university system. Allow me to provide you a few examples.

The university granted nearly 14,000 degrees in 2008—and with these graduates come the realized dreams of their family and friends and the very real potential to make the world a better place. We educate more health care professionals, including doctors, nurses, physical therapists, pharmacists and dentists, than any other institution in the state. This is becoming increasingly more important given Missouri's population demographics.

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

The University of Missouri is a good investment for the state, generating a 5-to-1 return in annual operating revenues for every dollar appropriated. In 2008, we infused nearly \$571 million in the Missouri economy from outside sources, including federal grants, private donations and out-of-state tuition. This money circulates through the economy, ultimately creating almost \$1.1 billion in economic activity and accounting for more than 13,000 jobs.

We serve our state's citizens through our health system, which saw more than 166,000 patients, and our extension mission, which served more than one million Missourians last year.

And lest anyone try to tell you that a college degree is not worth the investment, let me say this: Research shows that those with a bachelor's degree earn about eight hundred thousand dollars more in their lifetime than those without a four-year degree. And the dividends for those who obtain a professional degree are closer to a million dollars in additional earnings.

There is work still to be done, however. We must continue to educate the state about the value of higher education, create programs to improve children's preparation for college beginning at a young age, grow our research and economic development efforts, take advantage of opportunities like e-learning and our Health Sciences Center, and create a new approach for capital

requirements. We'll also pay close attention to our faculty retention and recruitment in light of current faculty salaries.

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

Sincerely,

A handwritten signature in black ink, reading "Gary D. Forsee". The signature is written in a cursive, flowing style.

Gary D. Forsee
President, University of Missouri System

Statistical Highlights

Campuses Columbia, Kansas City, Rolla and St. Louis

Enrollment, Fall 2008

MU:	30,130
UM-Kansas City:	14,481
MO Science & Technology:	6,367
UM-St. Louis:	<u>15,741</u>
Total enrollment:	66,719
<i>(74 percent undergraduate, 26 percent graduate and first professional students)</i>	

Total degrees granted, FY08: 14,111

Total faculty, Fall 2008: 8,491
(65 percent full-time, 35 percent part-time)

Total staff, Fall 2008: 16,655
(75 percent full-time, 25 percent part-time)

Total student financial aid: \$651,388,500
(in grants, loans, work programs, scholarships, fellowships and other aid)

Net book value of capital assets: \$2.2 billion
(as of June 30, 2008)

Land holdings: 19,178 acres

Grants and contracts expenditures, FY08

Federal:	\$211.7 million
Other:	\$114.7 million
<i>(includes state, industry, not-for-profit organizations and other)</i>	
Total grants and contracts:	\$326.4 million

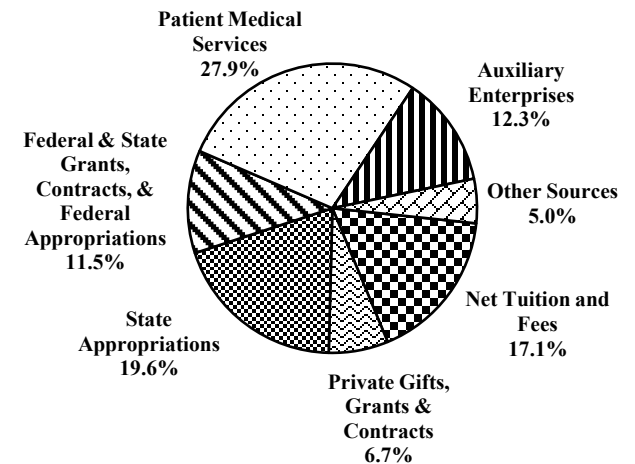
Total gifts, FY08: \$102.0 million
(includes unrestricted private gifts, capital gifts and private gifts for endowment)

Endowment & similar funds

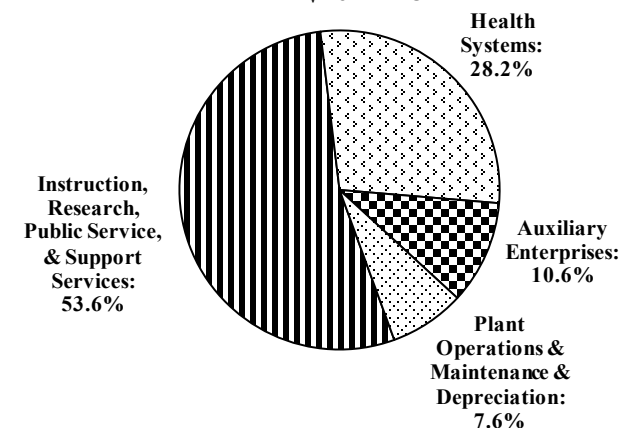
(stated at market as of June 30, 2008)

Market value:	\$968,802,000
Endowment per student:	\$15,011

TOTAL REVENUES, FY 2008:
\$2.4 BILLION



TOTAL OPERATING EXPENSES, FY 2008:
\$2.3 BILLION



Economic Development Highlights

- With \$2.44 billion in total revenues and more than 26,000 employees, UM was the 20th largest publicly-held Missouri-headquartered company in the state in 2008.
- In 2008, the university was issued 20 U.S. patents and filed 52 new U.S. patent applications.
- The university earned \$10.4 million in licensing revenue in FY2009.
- The university expended \$321 million for research in FY2008, with \$189 million of this funded by external sources.

UM Statewide Impact

Students from Missouri, 2008:	53,732
Alumni in Missouri, 2008:	213,122
<i>Selected school alumni:</i>	
Medicine:	3,437
Nursing:	6,818
Health Professions:	2,937
Veterinary Medicine:	1,412
Dentistry:	2,456
Pharmacy:	1,585
Engineering:	23,212
Optometry:	417
Agriculture:	11,090
Law:	8,176
Employees living in Missouri, 2008:	26,418
(\$1.05 billion in employee salary returning to the state)	
Tax revenue generated in Missouri by University employees:	\$158 million
Construction projects & contracts awarded in Missouri in 2008:	221 projects for \$175.0 million
Extension impact, 2008:	1,272,452 contacts MU Extension Centers operate in 111 of the state's 114 counties.
MU Health System impact, 2008:	166,144 patients seen with \$44.4 million uncompensated care.
MOREnet impact, 2008:	66 higher education institutions and 514 school districts served.

Executive Summary

The University of Missouri System's foremost priority in the FY2011 request for operations is the funding of its FY2010 core state appropriation of \$451.5 million, which is made up of \$364.8 million state general revenue, \$36.9 million lottery proceeds, and \$49.8 million onetime federal budget stabilization funds. It is critically important that this onetime funding be restored with permanent funding in FY2011. In addition, the university's appropriations request for operations encompasses new investments, which when combined with the core state appropriation, will sustain the high level of quality and competitiveness that currently exists, and better position the university to contribute to the future economy of Missouri and the welfare of its citizens. These investments support the university's strategic goal of maintaining its position as one of the top public research universities in the country.

The university's requests reflect the need to address funding issues resulting from several years of increased enrollment and decreased or minimally increased state appropriations. We have fallen behind on competitive salaries for faculty. Our deferred maintenance and repair has grown, historic equity-funding issues need to be addressed, and a satellite pharmacy program will increase the number of practicing pharmacists to address projected shortages.

The investments will be funded through a partnership with the state, the university, and its students. The request from the state for an additional \$67.6 million would be coupled with university resources, including internal efficiency reallocations and an inflationary increase in tuition and fees. These investments are:

Increase to the Core Budget for Annual Merit Compensation and Technology, Infrastructure, & Ongoing Costs: State Request \$18.96 million

The university is a people-driven institution. Three-fourths of the annual budget is devoted to compensation. Recently, small salary increase budgets coupled with greater salary increases in the higher

education marketplace have caused UM's market position to erode. As the state's only land-grant, doctoral-granting research institution, the university is obligated to recruit and retain top-notch faculty and staff, as well as provide faculty and students with state-of-the-art technology and infrastructure. The state's share of this request is equal to a 4.2 percent increase in state appropriations for:

- a general salary increase of 4 percent, plus related benefits (\$13.89 million), and
- on-going costs of basic operations (\$5.07 million).

Cost to Continue: State Request \$19.6 million

The university is requesting an additional 4.3 percent increase to fund a group of needs resulting from past reductions, the lack of inflationary increases in appropriations and growing enrollments.

- *Competitive Ranked Faculty Compensation: State Request \$7.2 million.* This initiative was not funded in the FY2009 and FY2010 appropriations request, but the first year was funded internally. The university identified the need to address ranked faculty compensation totaling \$21.6 million over three years in addition to the annual merit pool. The state's share is half, or \$10.8 million. Rankings of faculty salaries at public Association of American Universities (AAU) support the need for this additional investment. The university funded both its share and the state's share in the first year to get the initiative started. For 2011, we ask the state provide its share of the first two years of the initiative.
- *St. Louis Equity Adjustment: State Request \$1.9 million.* According to a 2002 Coordinating Board for Higher Education study that evaluated full-time equivalent (FTE) funding relative to the mean and median of the appropriate classification peer group, the University of Missouri-St. Louis was identified as having a significant funding gap of \$10.8 million in state appropriations. In the last five years,

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

- *Support for FY2001-FY2009 Enrollment Growth: State Request \$8.5 million.* The university has identified the need for additional funding of \$17.0 million to support the extraordinary student enrollment growth on the university's four campuses since FY2001. This request does not reflect funding needs for the large expected growth in fall 2009 and is spread over two years. The request is calculated based on enrollment growth at the university between fall 2000 and fall 2008, a time in which state appropriations declined or did not increase. It is imperative to keep the advanced and more specialized classes small, especially in lab-intensive disciplines such as the life sciences, biology and engineering. Enrollment increases require additional investment in campus-wide enrichment programs, as well as programs embedded in colleges and departments, to ensure the success of our students. The increase in funding would support the hiring of regular full-time faculty to teach, resulting in smaller classes, increases in the number of students admitted to some high-demand programs that are currently capped, and enhanced student learning. The increased funding would also support the hiring of more academic advisors, who play a critical role in helping students maximize their university education and complete a baccalaureate degree in a timely manner. The request is spread over two years.

- *Joint UMKC/MSU Pharmacy Program: State Request \$2.0 million.* The University of Missouri-Kansas City and Missouri State University have signed a letter of intent to establish a doctor of pharmacy satellite program. Initial infrastructure for the program is being developed with onetime Caring for Missourians funds. Recurring funds are needed to sustain the program. The University of Missouri System is requesting \$2.0 million to provide recurring support for this joint effort, which leverages state resources to provide pharmacy education to benefit the citizens of Missouri.

Protecting the University's Infrastructure Through Increased Maintenance and Repair Investment: State Request \$28.6 million

The university is requesting state investment to protect the university's facilities and infrastructure through increased expenditures for maintenance and repair. The university has not received specific additional appropriation for this need since FY1997. There is a growing backlog of documented deferred maintenance that totals \$345 million. This investment will match the university's current investment on a 2-to-1 basis.

Missouri Returning Heroes Act: State Request \$0.5 million

The University of Missouri is requesting additional appropriations equivalent to the tuition waived in FY2009 for the Missouri Returning Heroes Education Act. This act limits the amount of tuition charged to combat veterans who meet certain criteria, but provides that institutions may request the tuition waived in the following year's appropriations request.

FY2011 University of Missouri Appropriations Request for Operations

	State Appropriation	Description and Outcome
<i>Sustaining Quality and Competitiveness</i>		
Core Operating Support - 4.2%	\$18.96	Investment will provide 4% annual merit increase in compensation plus increases in technology, infrastructure and on-going costs. Supports 13,000 employees, an operating budget payroll of \$637 million, and a direct return of over \$158 million in tax to the State (2008). Will also provide quality infrastructure to support teaching, research, public service, & economic development.
Cost to Continue - 4.3%	\$19.60	This request is made up of the follow three components:
- Competitive Ranked Faculty Compensation - \$7.2 million		Total request is \$21.6 million over 3 years; requesting year 1 & 2. To recruit & retain top quality faculty who annually educate over 66,000 students and expend \$321 million in research funding, of which \$189 million is funded by external sources.
- St. Louis Equity Adjustment - \$1.9 million		Support the education of over 15,000 students
- Support for FY2001-FY2009 Enrollment Growth - \$8.5 million		Supports the education of over 9,800 more students annually, the increase in enrollment from FY2000-FY2009
- Joint UMKC/MSU Pharmacy Program - \$2.0 million		To provide \$2 million in funding to sustain the joint UMKC/MSU Pharmacy program leveraging state resources.
Protecting the University's Infrastructure - on-going maintenance & repair	\$28.60	Request is to increase state support from \$12.1 million to \$40.7 million or two-thirds of total required \$61 million investment in M & R, which is 1.5% of replacement value. This additional investment will help to constrain and address the growth in facilities needs which currently totals over \$838 million, including \$345 million in deferred maintenance and repair.
Missouri Returning Heroes Act	\$0.50	Support for 166 combat veterans in tuition waived.
Total Sustaining Quality and Competitiveness Investment	\$67.66	
Total New Investment for FY2011 Operations Budget	\$67.66	

Dollars in Millions

Assumptions:

1) Caring for Missourians has been funded on a onetime basis. An additional \$24.2 million in recurring appropriation will be needed to continue this effort.

University of Missouri Health System

University Hospitals and Clinics – Restoration of the Core: State Request \$0.7 million

This request is for the state to restore the core budget to the FY2009 funding level.

University Hospitals and Clinics - Sustaining Quality and Service: State Request \$0.5 million

University Hospital and Clinics request their core appropriation be increased by 4.2 percent to offset the growing burden of uncompensated care and to ensure the resources to provide health care services to Missouri citizens are available. Our health care system serves more than 166,000 patients in our state, concentrates on a 25 county service area, and provides \$44.4 million in uncompensated care. Requests for additional appropriations for inflationary or mandatory cost increases have not been funded since FY2001.

Missouri Rehabilitation Center – Restoration of the Core: State Request \$0.2 million

This request is for the state to restore the core budget to the FY2009 funding level.

Missouri Rehabilitation Center – Sustaining Quality and Service: State Request \$0.5 million

The Missouri Rehabilitation Center (MRC) is a long-term acute care hospital that provides an array of experts and programs for patients recovering from serious illnesses and injuries. MRC began experiencing operating losses in 2006, and is projecting a loss in 2010. 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 4.2 percent to MRC's base funding level is required.

Other Curator Programs

Restoration of the Core Sustaining Quality and Service: State Request \$1.9 million

Requests for state funds to restore the base budget to the FY2009 funding levels totals approximately \$1.9 million. This includes restoration of \$183,988 for the Missouri Institute of Mental Health, \$401,677 for the Missouri Kidney Program, \$161,956 for the State Historical Society, \$1,275,461 for MOREnet, and \$42,000 for Missouri Telehealth Network.

Sustaining Quality and Service: State Request \$0.9 million

The Missouri Institute of Mental Health, the Missouri Kidney Program, Missouri Telehealth Network, MOREnet, and the State Historical Society of Missouri, request their core budgets be increased by 4.2 percent to support a 4 percent increase to the salary and wage merit pool and the associated increase in benefits and inflationary increases in other expenses incurred in providing services to Missouri citizens. Additional appropriation requests for inflationary or mandatory cost increases for the Missouri Institute of Mental Health and the Missouri Kidney Program have not been funded since FY2001.

MOREnet – Onetime Network and Video Equipment Replacement: State Request \$3.5 million

For FY2011, MOREnet will incur major onetime equipment costs for the shared network to keep pace with the 35 percent annual growth in bandwidth from our members, to meet new technology standards, and to replace aging equipment.

In addition, MOREnet manages one of the largest videoconference bridging services found in education, providing the opportunity for all MOREnet members to benefit from the centralized, statewide service. MOREnet has experienced an astonishing 300 percent increase in video event requests in the last five years and expects

the trend to continue. In FY2011, MOREnet will need to upgrade the centralized video equipment to address increasing volume and capacity needs, improve quality and performance, and enable a diversified and redundant video network environment to meet business continuity requirements, improving the reliability of the service.

State Historical Society of Missouri: State Request \$0.5 million

The State Historical Society of Missouri is directed by statute to collect, preserve, make accessible, and publish materials pertaining to the history of Missouri and western America. The society has worked hard to contain costs and reduce expenses through administrative efficiencies and innovation; however, the society

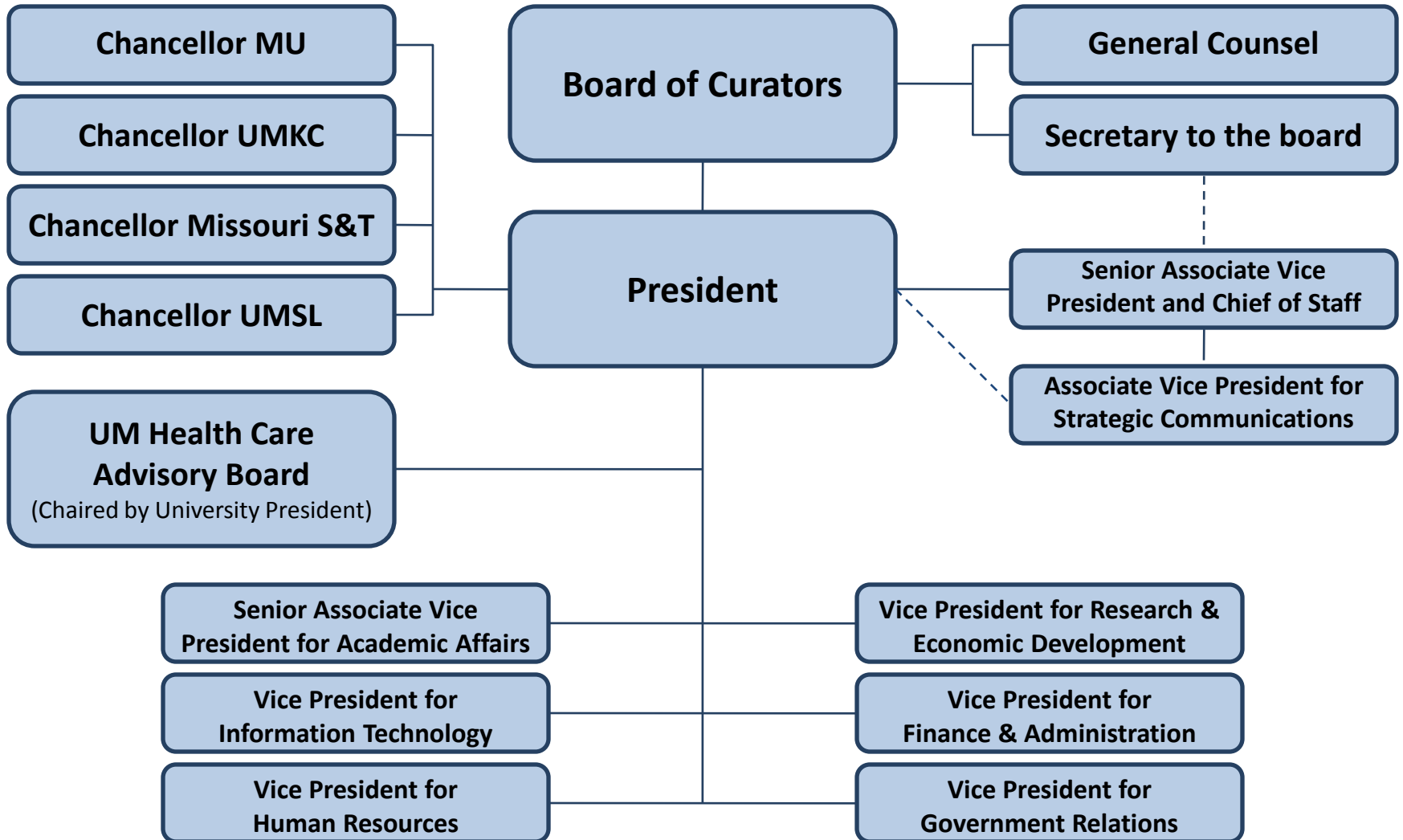
struggles to overcome historical underfunding. Salaries of society staff are significantly below market, and staffing levels are not appropriate to serve customers and adequately fulfill the society's statutory mission. This request is composed of several components and is designed to provide appropriate compensation adjustments, hire additional staff in targeted areas, fund travel and equipment needs, and allow the society to better serve its customers and accomplish its mission.

Requests in Accordance with Legislative Requirements: State Request \$4.0 million

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

FY2011 University of Missouri Appropriations Request for Other Programs	
	State Appropriation
Dollars in Millions	
University of Missouri Health Care	
<i>Sustaining Quality and Service:</i>	
4.2% increase	\$1.0
Restoration of Base	0.8
Total University of Missouri Health System	<u>\$1.8</u>
Other Curator Programs	
<i>Sustaining Quality and Service:</i>	
4.2% increase for the Missouri Institute of Mental Health, the Missouri Kidney Program, MOREnet, Telehealth, and the State Historical Society of Missouri	\$0.8
Restoration of Base	1.9
<i>Enhancing Missouri's Future - Proposals</i>	
State Historical Society	0.5
Total Other Programs Recurring Requests	<u>\$3.2</u>
Onetime Requests	
MOREnet - network and video equipment replacement	\$3.5
Onetime Requests in Accordance with Legislative Requirements	
Alzheimer's Research	0.4
Spinal Cord Injury Research	0.4
Seminary Fund	3.2
Subtotal Requests in Accordance with Legislative Requirements	<u>\$4.0</u>
Total Onetime Requests	<u>\$7.5</u>

UM Organizational Chart



UNIVERSITY OF MISSOURI SYSTEM
SUMMARY OF FY2011 APPROPRIATIONS REQUEST FOR OPERATIONS

	DECISION ITEM NUMBER	STATE APPROPRIATIONS
FY2011 APPROPRIATION BASE (Core)		
General Revenue Fund		\$364,833,842
Lottery Proceeds Fund		36,869,596
Federal Budget Stabilization Fund		49,772,727
FY2011 APPROPRIATION BASE (Core) Total		<u>\$451,476,165</u>
RECURRING INCREASE REQUESTED:		
Increase to the Core Budget for Annual Merit Compensation & Technology, Infrastructure, & On-Going Costs	1	\$18,962,000
Percent Increase in State Investment Requested for Decision Item 1		4.2%
Cost to Continue	2	
Competitive Ranked Faculty Compensation including Benefits		7,200,000
St. Louis Equity Adjustment		1,863,729
Support for FY2001-FY2009 Enrollment Growth		8,500,000
Joint UMKC/MSU Pharmacy Program		2,000,000
Required Investment for Decision Item 2		<u>\$19,563,729</u>
Percent Increase in State Investment Requested for Decision Item 2		4.3%
Increase to the Core Budget for Other Initiatives		
Increased M&R Investment	3	28,600,000
Missouri Returning Heroes Education Act	4	<u>524,983</u>
Required Investment for Other Initiatives		\$29,124,983
Total Recurring Increase Requested		<u>\$519,126,877</u>
TOTAL RECURRING REQUEST FY2011		<u><u>\$519,126,877</u></u>

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

EDUCATION AND GENERAL EXPENDITURES (EXCLUDE EXPENDITURES ON AUXILIARIES)	Actual Unrestricted Expenditures FY 2008	Actual Restricted Expenditures FY 2008	FY 2009 Estimated Unrestricted Education and General Operating Funds		Estimated Unrestricted Expenditures FY 2009	Estimated Restricted Expenditures FY 2009	FY 2010 Projected Unrestricted Education and General Operating Funds		Projected Unrestricted Expenditures FY 2010	Projected Restricted Expenditures FY 2010
			Personal Service	Expense & Equip.			Personal Service	Expense & Equip.		
1.0 GENERAL INSTRUCTION										
1.1 On-campus Instruction for Credit			\$449,307,817	\$31,615,316	\$480,923,133		\$456,096,166	\$49,125,356	\$505,221,522	
1.3 Community Education			8,534,355	5,741,141	14,275,496		7,854,280	7,063,050	14,917,330	
1.4 Off-campus Instruction for Credit			9,047,405	4,140,719	13,188,124		9,126,859	6,478,704	15,605,563	
TOTAL INSTRUCTION	\$473,178,869	\$38,697,115	\$466,889,577	\$41,497,176	\$508,386,753	\$41,449,885	\$473,077,305	\$62,667,110	\$535,744,415	48,810,855
2.0 RESEARCH										
2.1 Institutes and Research Centers			\$35,699,579	\$8,446,054	\$44,145,633		\$31,208,797	\$8,118,284	\$39,327,081	
2.2 Individual or Project Research			11,303,918	8,130,418	19,434,336		9,127,952	10,681,882	19,809,834	
TOTAL RESEARCH	\$55,920,254	\$148,220,217	\$47,003,497	\$16,576,472	\$63,579,969	\$151,881,348	\$40,336,749	\$18,800,166	\$59,136,915	\$154,316,836
3.0 PUBLIC SERVICE										
3.2 Community Services			\$21,590,563	\$13,541,326	\$35,131,889		\$20,820,012	\$13,837,346	\$34,657,358	
3.3 Cooperative Extension Services			40,003,601	4,876,138	44,879,739		38,731,845	6,493,487	45,225,332	
3.4 Public Broadcasting Services			937,553	335,106	1,272,659		919,627	187,043	1,106,670	
TOTAL PUBLIC SERVICE	\$72,187,705	\$91,598,576	\$62,531,717	\$18,752,570	\$81,284,287	\$93,168,238	\$60,471,484	\$20,517,876	\$80,989,360	\$98,813,243
4.0 ACADEMIC SUPPORT										
4.1 Libraries			\$19,067,200	\$19,202,924	\$38,270,124		\$19,920,291	\$19,650,428	\$39,570,719	
4.2 Museums and Galleries			1,194,349	123,927	1,318,276		1,107,306	99,845	1,207,151	
4.3 Educational Media Services			5,108,063	906,334	6,014,397		5,346,661	536,748	5,883,409	
4.5 Ancillary Support			20,597,011	(3,027,694)	17,569,317		21,899,568	4,072,962	25,972,530	
4.6 Academic Admin. & Personnel Development			49,470,976	10,919,703	60,390,679		47,554,322	13,315,603	60,869,925	
TOTAL ACADEMIC SUPPORT	\$113,379,276	\$5,786,849	\$95,437,599	\$28,125,194	\$123,562,793	\$6,058,849	\$95,828,148	\$37,675,586	\$133,503,734	\$5,313,494
5.0 STUDENT SERVICE										
5.1 Student Service Administration			\$10,253,845	\$5,614,049	\$15,867,894		\$11,892,358	\$3,430,142	\$15,322,500	
5.2 Social and Cultural Development			6,698,344	6,753,895	13,452,239		7,072,880	6,171,810	13,244,690	
5.3 Counseling and Career Guidance			6,636,504	845,816	7,482,320		6,658,439	830,801	7,489,240	
5.4 Financial Aid Administration			4,026,091	186,526	4,212,617		3,951,149	302,063	4,253,212	
5.5 Student Health Services			888,082	278,242	1,166,324		895,148	138,660	1,033,808	
5.6 Intercollegiate Athletics			0	0	0		0	0	0	
5.7 Student Admissions and Records			13,962,902	3,778,239	17,741,141		13,436,516	3,034,782	16,471,298	
TOTAL STUDENT SERVICE	\$61,178,001	\$7,907,281	\$42,465,768	\$17,456,767	\$59,922,535	\$9,361,912	\$43,906,490	\$13,908,258	\$57,814,748	\$3,774,963
6.0 INSTITUTIONAL SUPPORT										
6.1 Executive Management			\$18,414,724	\$311,389	\$18,726,113		\$18,635,930	\$178,711	\$18,814,641	
6.2 Fiscal Operations			11,339,829	(12,078,378)	(738,549)		11,931,524	2,950,349	14,881,873	
6.3 General Admin. & Logistical Services			65,496,723	(29,459,582)	36,037,141		66,580,654	(34,187,321)	32,393,333	
6.5 Public Relations and Development			24,722,442	7,259,490	31,981,932		25,077,727	6,883,804	31,961,531	
TOTAL INSTITUTIONAL SUPPORT	\$117,329,734	\$6,380,866	\$119,973,718	(\$33,967,081)	\$86,006,637	\$3,370,240	\$122,225,835	(\$24,174,457)	\$98,051,378	\$2,240,596
7.0 OPERATION AND MAINTENANCE OF PLANT										
7.1 General Physical Plant			\$29,466,064	(\$2,850,876)	\$26,615,188		\$29,560,655	(\$3,886,753)	\$25,673,902	
7.2 Fuel and Utilities			13,467,227	12,532,588	25,999,815		13,519,098	14,446,992	27,966,090	
7.3 Maintenance and Repair			4,259,681	36,749,079	41,008,760		4,618,270	41,705,741	46,324,011	
TOTAL OPERATION AND MAINTENANCE OF PLANT	\$90,678,861	\$249,611	\$47,192,972	\$46,430,791	\$93,623,763	\$495,612	\$47,698,023	\$52,265,980	\$99,964,003	\$426,442
8.0 SCHOLARSHIPS AND FELLOWSHIPS										
8.1 Scholarships			\$0	\$89,797,180	\$89,797,180		\$0	\$87,382,964	\$87,382,964	
8.2 Fellowships			0	39,249,790	39,249,790		0	39,095,900	39,095,900	
TOTAL SCHOLARSHIPS/FELLOWSHIPS	\$120,669,801	\$58,700,705	\$0	\$129,046,970	\$129,046,970	\$68,240,118	\$0	\$126,478,864	\$126,478,864	\$65,286,626
9.0 TRANSFERS										
Internal Transfers			\$0	\$10,885,087	\$10,885,087		\$0	\$8,605,967	\$8,605,967	
9.1 Mandatory Transfers (decrease)/increase			0	9,002,456	9,002,456		0	10,721,733	10,721,733	
9.2 Nonmandatory Transfers (decrease)/increase			0	42,139,376	42,139,376		0	35,099,095	35,099,095	
TOTAL TRANSFERS	\$43,448,470	\$15,406,381	\$0	\$62,026,919	\$62,026,919	\$3,503,497	\$0	\$54,426,795	\$54,426,795	434,195
TOTAL E&G EXPENDITURES AND TRANSFERS	\$1,147,970,971	\$372,947,601	\$881,494,848	\$325,945,778	\$1,207,440,626	\$377,529,699	\$883,544,034	\$362,566,178	\$1,246,110,212	\$379,417,250

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

No.	INSTRUCTIONAL COST CENTER (Excludes Expenditures on Auxiliaries)	Actual Unrestricted Expenditures FY2008	Estimated Unrestricted Expenditures FY2009	Projected Unrestricted Expenditures FY2010
1	Agriculture, Food & Nat Resources	\$14,511,375	\$14,596,430	\$11,658,588
2	Arts & Sciences	137,008,836	140,914,486	140,644,630
3	Biological Sciences	6,778,986	6,938,484	6,745,379
4	Business/Public Affairs	31,492,175	33,461,065	31,394,166
5	Computing & Engineering/ Mgmt. & Info Systems	7,124,128	8,068,386	8,534,759
6	Conservatory of Music	5,498,798	5,360,483	5,067,905
7	Dentistry	17,283,094	17,175,875	18,696,846
8	Education	26,554,614	26,595,241	28,658,218
9	Engineering	45,854,366	47,746,324	47,988,750
10	Extension	853,657	909,276	965,069
11	Fine Arts & Communications	9,915,423	10,955,683	10,070,063
12	Graduate School	4,196,099	4,273,235	4,647,086
13	Health Professions	4,787,980	5,339,172	7,221,495
14	Human Environmental Sciences	6,822,827	7,587,114	8,515,218
15	Journalism	9,822,351	8,103,462	7,698,721
16	Law	11,356,069	11,988,861	12,004,226
17	Medicine	63,079,574	61,787,656	73,413,107
18	Nursing	11,722,238	12,557,709	13,517,678
19	Optometry	4,024,653	4,176,353	4,500,625
20	Pharmacy	5,920,164	6,573,211	7,537,975
21	Veterinary Medicine	14,009,077	15,650,805	16,183,262
22	Instructional Information Access and Technology*	6,076,368	5,989,620	9,088,209
23	Honors College	1,863,882	2,089,808	1,951,770
24	Miscellaneous Instruction **	(1,878,947)	22,084,394	28,517,777
	TOTAL	\$444,677,787	\$480,923,133	\$505,221,522

* Includes instructional computing costs budgeted centrally and spent across departments.

** Includes instructional portion of OPEB costs booked centrally.

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

EDUCATION AND GENERAL RESTRICTED AND UNRESTRICTED REVENUES (EXCLUDE EXPENDITURES ON AUXILIARIES)	Actual Unrestricted Revenue FY 2008	Actual Restricted Revenue FY 2008	Estimated Unrestricted Revenue FY 2009	Estimated Restricted Revenue FY 2009	Projected Unrestricted Revenue FY 2010	Projected Restricted Revenue FY 2010
Student Education Fees (Excluding Off-Campus Credit)	\$533,124,134	\$234,365	\$573,817,606	\$312,150	\$604,835,903	\$225,740
Student Education Fees (Off-Campus Credit)	23,737,216	(9,843)	27,633,552		778,971	
SUBTOTAL OF TUITION AND FEES	\$556,861,351	\$224,522	\$601,451,158	\$312,150	\$605,614,874	\$225,740
Federal Appropriations	\$14,277,431		\$14,858,357		\$15,349,825	
Federal Grants and Contracts		\$211,605,899		\$184,919,042		\$201,759,720
Federal Vocational Reimbursement						
SUBTOTAL OF FEDERAL SOURCES	\$14,277,431	\$211,605,899	\$14,858,357	\$184,919,042	\$15,349,825	\$201,759,720
State Grants and Contracts		\$52,210,982	\$10,000	\$56,292,036		\$60,595,820
State Vocational Reimbursement						
SUBTOTAL OF STATE GRANTS/REIMBURSEMENT	\$0	\$52,210,982	\$10,000	\$56,292,036	\$0	\$60,595,820
Local Tax Revenue						
Local Grants and Contracts		\$2,203,166		\$1,504,651		\$1,500,000
Recovery of Indirect Costs	\$46,180,487	(45,768,153)	\$50,015,935	(49,891,624)	\$48,248,155	(48,248,155)
Private Gifts, Grants and Contracts	1,402,101	96,084,303	1,654,128	122,363,311	1,333,409	99,039,891
Investment Income	37,512,876	4,321,558	(47,262,052)	2,815,888	19,898,334	2,322,817
Endowment Income	4,880,068	33,584,961	6,364,490	35,435,386	2,890,968	35,421,839
Sales & Services of Educational Activities	39,815,239	100,074	43,539,964	122,089	43,525,178	101,825
Intercollegiate Athletic Income						
Other Sources	53,531,598	6,512,866	60,471,577	10,501,157	47,767,736	5,351,394
SUBTOTAL OF TOTAL LOCAL REVENUES/OTHER	\$183,322,368	\$97,038,775	\$114,784,042	\$122,850,858	\$163,663,779	\$95,489,611
TRANSFERS FROM OTHER FUNDS						
State Appropriations for RTEC Distributions						
State Appropriations (Education & General Operating)	\$419,114,802	\$19,074,366	\$437,931,880	\$18,659,433	\$461,481,733	\$21,346,359
SUBTOTAL STATE APPROPRIATIONS	\$419,114,802	\$19,074,366	\$437,931,880	\$18,659,433	\$461,481,733	\$21,346,359
TOTAL EDUCATION & GENERAL REVENUE	\$1,173,575,952	\$380,154,545	\$1,169,035,437	\$383,033,519	\$1,246,110,212	\$379,417,250

UNIVERSITY OF MISSOURI SYSTEM
UNRESTRICTED EDUCATIONAL AND GENERAL CURRENT FUNDS
FORM3: PERSONAL SERVICE - DETAIL

PERSONAL SERVICE CATEGORIES (EXCLUDE EXPEND. ON AUXILIARIES)	Actual Unrestricted Expenditures FY 2008	FTE	Estimated Unrestricted Expenditures FY 2009	FTE	Projected Unrestricted Expenditures FY 2010	FTE
Professors	\$97,082,775	858.9	\$105,784,165	882.4	\$107,000,000	885.0
Associate Professors	72,828,358	912.1	79,206,843	941.3	80,650,000	945.0
Assistant Professors	66,980,518	1,006.9	70,906,227	1,013.8	73,000,000	1,015.0
Instructors	8,499,099	222.2	9,547,060	254.2	9,675,000	250.0
Other Faculty	81,134,370	2,709.0	84,772,638	2,772.8	86,000,000	2,760.0
Executive/Administrative/Managerial	87,597,959	1,001.5	93,333,460	1,014.0	93,000,000	1,000.0
Other Professional	81,821,816	1,673.9	87,665,385	1,720.4	88,800,000	1,720.0
Technical and Paraprofessionals	29,211,325	877.9	30,420,857	897.2	30,850,000	895.0
Clerical and Secretarial	63,419,356	2,128.0	64,574,852	2,066.8	65,500,000	2,065.0
Skilled Crafts	19,371,607	448.4	20,338,729	453.8	20,600,000	453.0
Service/Maintenance	21,206,577	839.8	21,910,524	832.0	22,200,000	832.0
Students	8,592,608	1,204.4	8,203,177	1,178.9	8,500,000	1,180.0
Staff Benefits	186,029,613		204,830,931		197,769,034	
TOTAL PERSONAL SERVICES	\$823,775,981	13,883.0	\$881,494,848	14,027.6	\$883,544,034	14,000.0

Core Programs

UNRESTRICTED EDUCATIONAL AND GENERAL
CORE BUDGET REQUEST ANALYSIS
FORM 4

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

MISSION STATEMENT

University of Missouri

(Board approved December 12, 2003)

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)

(Board approved December 12, 2003)

Our 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. We are stewards and builders of a priceless state resource, a unique physical infrastructure and scholarly environment in which our tightly interlocked missions of teaching, research and service work together on behalf of all citizens. Students work side by side with some of the world's best faculty to advance the arts and humanities, the sciences, and the professions. Scholarship and teaching are daily driven by a sense of public service – the obligation to produce and disseminate knowledge that will improve the quality of life in the state, the nation, and the world.

University of Missouri-Kansas City (UMKC)

(Board approved July 24, 1997)

The University of Missouri-Kansas City 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 professional 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.

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

(Board approved February 1, 2008)

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)

(Board approved September 5, 2008)

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

II. DESCRIPTION

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

The Columbia campus offers academic programs through 15 schools and colleges. In fall 2008, the total enrollment was 30,130 with 7,150 of this number enrolled in graduate and professional programs. At that time, the full-time teaching and research staff numbered 2,983. In 2008-09, the campus granted 7,119 degrees. The Kansas City campus offers academic programs through 12 schools and colleges. Its fall 2008 total enrollment was 14,481, which included 5,220 graduate and professional students. The campus employed 1,197 full-time teaching and research staff. In 2008-09, the campus awarded 2,962 degrees. The Missouri S&T campus offers academic programs through 20 departments. In fall 2008, its total enrollment was 6,367 students, which included 1,456 enrolled in graduate programs. Full-time teaching and research staff numbered 380. In 2008-09, the campus awarded 1,648 degrees. The St. Louis campus offers academic programs through eight schools and colleges, and had a fall 2008 total enrollment of 15,741, which included 3,383 graduate and professional students. The campus employed 558 full-time teaching and research staff and awarded 3,018 degrees in 2008-09.

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

The university has the unique responsibility to the state of providing access to quality educational experiences for Missouri's future health care providers. In addition, as part of a land-grant university, University of Missouri Health Care's core mission is to enhance the health of all people,

especially Missourians. Through exceptional clinical service, University of Missouri Health Care supports the education and research missions of the University of Missouri. Their vision: Through discovery and innovation, University of Missouri Health Care will be the health system people choose for exceptional service and exemplary health care.

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

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

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

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

III. Performance & Activity Measures

Total Off-campus FTE Enrollment (Fall Semester)	FY 2008 Actual	FY 2009	FY 2010 PROJ.	FY 2011 PROJ.
Numerical Enrollment at Off-campus Sites	2,651	2,761	2,811	2,866

Total On-campus FTE Enrollment (Fall semester)	FY 2008 Actual	FY 2009	FY 2010 PROJ.	FY 2011 PROJ.
Undergraduates	36,849	38,547	39,198	40,356
Graduates	6,722	6,875	6,716	6,746
First Professional	2,772	2,841	2,866	2,890
TOTAL FTE Enrollment	46,343	48,263	48,780	49,992

Associate				
Bachelor	8,997	9,291	9,448	9,727
Masters and Graduate Certificates	3,855	4,206	4,109	4,127
Doctoral	510	487	476	478
First Professional Degrees	749	763	770	776
TOTAL	14,111	14,747	14,803	15,108

Total Credit Hour Activity for Academic Programs (12-month instructional activity)	FY 2008 Actual	FY 2009 est.	FY 2010 PROJ.	FY 2011 PROJ.
Undergraduate programs	1,181,812	1,224,118	1,244,791	1,281,565
Graduate programs	204,886	220,855	215,747	216,711
First Professional	110,129	113,332	114,329	115,286
TOTAL Credit Hours	1,496,826	1,558,304	1,574,867	1,613,562

Institutional Scholarships/Fellowships/Grants:	FY 2008 Actual	FY 2009 est.	FY 2010 PROJ.	FY 2011 PROJ.
Undergraduate				
a. Number of Need-based Scholarships awarded	5,824	6,092	6,195	6,378
Dollar amount awarded	\$11,923,290	\$12,472,715	\$12,683,360	\$13,058,056
b. Number of Merit-based Scholarships awarded	14,133	14,784	15,034	15,478
Dollar amount awarded	\$46,553,882	\$48,699,082	\$49,521,536	\$50,984,517
c. Number of Athletic Scholarships awarded	1,201	1,256	1,278	1,315
Dollar amount awarded	\$10,982,906	\$11,488,998	\$11,683,029	\$12,028,173
d. Number of Tuition and Fee Remissions or Waivers	4,029	4,215	4,286	4,412
Dollar amount awarded	\$14,832,403	\$15,515,879	\$15,777,919	\$16,244,035
e. Number of Other Scholarships awarded	1,388	1,452	1,476	1,520
Dollar amount awarded	\$1,451,824	\$1,518,724	\$1,544,373	\$1,589,997

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

Graduate				
a. Number of Need-based Scholarships awarded	452	462	452	454
Dollar amount awarded	\$ 927,152	\$ 948,255	\$ 926,324	\$ 930,462
b. Number of Merit-based Scholarships awarded	3,693	3,777	3,690	3,706
Dollar amount awarded	\$ 12,503,048	\$ 12,787,631	\$ 12,491,888	\$ 12,547,688
c. Number of Athletic Scholarships awarded	31	32	31	31
Dollar amount awarded	\$ 196,665	\$ 201,141	\$ 196,489	\$ 197,367
d. Number of Tuition and Fee Remissions or Waivers	5,613	5,741	5,608	5,633
Dollar amount awarded	\$ 49,638,335	\$ 50,768,157	\$ 49,594,028	\$ 49,815,562
e. Number of Other Scholarships awarded	2,174	2,223	2,172	2,182
Dollar amount awarded	\$ 4,222,939	\$ 4,319,058	\$ 4,219,170	\$ 4,238,016
Total Number of Scholarships Awarded (Undergraduate and Graduate)	38,538	40,035	40,221	41,110
Total Dollar Amount of Scholarships Awarded (Undergraduate and Graduate)	\$ 153,232,444	\$ 158,719,640	\$ 158,638,116	\$ 161,633,875

IV. GROSS SQUARE FOOTAGE (Physical Plant)

Indicate the total nonauxiliary gross square footage to be maintained by your institution during FY 2010.

Square feet

13,705,465 *

* this is an estimated number

List all new construction or razing of buildings that is to be completed in FY 2010 that will change the gross square footage data provided above. Indicate whether the change is an increase or decrease in square footage, the type of space modifications, the resulting change in nonauxiliary gross square feet, and the number of months the square footage will be in effect during FY 2010. If no changes occur, indicate "No change."

	Gross Sq ft Increase or Decrease	Number of Months in Effect in FY 2010	Annualized Gross sq. ft. Increase or Decrease
Type of Project or Space Modification			
1 Lafferre Hall - UMC	36,853	12	36,853
2 Galena (Med School) - UMC	6,450	12	6,450
3 Old University Center - UMSL	75,000	6	37,500
4 TOTAL	118,303		80,803

V. SALARY COMPARISONS

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

Occupational Category	FY 2009 over FY 2008 (%)	FY 2010 over FY 2009 (%)
Ranked Faculty	7.40%	0.00%
All Faculty	7.06%	0.00%
Executive/Administrative/Managerial	5.88%	0.00%
Other Professional	5.41%	0.00%
Technical and paraprofessionals	4.93%	0.00%
Clerical and secretarial	4.76%	0.00%
Skilled Crafts	4.62%	0.00%
Service/Maintenance	4.80%	0.00%

List the salaries of full-time instructional staff on 9/10-month contracts/teaching periods by gender and academic rank for FY 2009.

Gender and Academic Rank	Number	Salary Outlays	Average Salary
Men			
Professors	462	\$51,033,936	\$110,463
Associate Professors	397	30,850,502	77,709
Assistant Professors	337	21,505,729	63,815
Instructors	21	1,014,440	48,307
Lecturers	39	1,790,251	45,904
No Academic Rank	13	604,579	46,506
Total Men	1,269	\$106,799,437	\$84,160
Women			
Professors	124	\$11,966,426	\$96,503
Associate Professors	250	17,349,782	69,399
Assistant Professors	310	18,487,077	59,636
Instructors	34	1,591,321	46,804
Lecturers	43	1,726,984	40,162
No Academic Rank	6	220,143	36,691
Total Women	767	\$51,341,733	\$66,938
Total (Men & Women)	2,036	\$158,141,170	\$77,672
Total from prior year	2,006	\$146,414,060	\$72,988

V. SALARY COMPARISONS (con't.)

List the salaries of full-time instructional staff on 11/12-month contracts/teaching periods by gender and academic rank for FY 2009.

Gender and Academic Rank	Number	Salary Outlays	Average Salary
Men			
Professors	126	\$16,882,929	\$133,992
Associate Professors	118	11,121,300	94,248
Assistant Professors	87	7,014,838	80,630
Instructors	22	1,135,081	51,595
Lecturers	53	2,733,160	51,569
No Academic Rank	32	1,365,842	42,683
Total Men	438	\$40,253,150	\$91,902
Women			
Professors	39	\$4,632,248	\$118,776
Associate Professors	72	6,181,161	85,849
Assistant Professors	105	7,957,717	75,788
Instructors	63	2,909,368	46,180
Lecturers	67	3,032,002	45,254
No Academic Rank	28	1,073,674	38,346
Total Women	374	\$25,786,170	\$68,947
Total (Men & Women)	812	\$66,039,320	\$81,329
Total from prior year	813	\$61,040,464	\$75,081

Core Decision Items

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Increase to Core for Annual Merit Compensation & Technology, Infrastructure, & On-Going Costs:
State Request \$18,962,000
Decision Item Rank: 1 of 4

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University of Missouri is the state's premier research university with the strategic goal of continuing to be one of the top universities in the country. To sustain quality and competitiveness and fulfill its missions of teaching, research, public service, and economic development, the university is requesting a 4.2 percent increase in state support to fund annual merit increases in compensation and funding for technology, infrastructure, and on-going mandatory costs including utilities. The university's 4.2 percent request is the third year of an agreement with the General Assembly to reach 2001 funding levels by 2011. The third year was originally scheduled for FY2010 and with this request would be one year further delayed.

The university's request is part of a total investment plan necessary to sustain the high level of quality and competitiveness that currently exists, as well as better position the university to contribute to the future economy of Missouri. As the state's only land-grant, doctoral-granting research institution, the university is obligated to recruit and retain top-notch faculty and staff, as well as provide faculty and students state-of-the art technology and infrastructure. These investments will be funded through a partnership among the state, the university, and the students. The request from the state for an additional \$18.96 million would be coupled with university resources and student fees.

In the face of increases in mandatory costs like utilities, benefits, insurance, and technology, the University of Missouri has worked to control expenditures through administrative efficiencies and to increase revenues from other sources in order to balance the budget and continue operations. For example, in FY2007, the university performed a comprehensive review of university administration with a goal of reducing expenses by 10 percent or \$12.4 million. By the end of the review process the university had identified \$20 million in administrative reductions for reinvestment in academic and strategic priorities. In FY2008 the Board of Curators requested a review of academic programs and processes which generated efficiencies equal to 1 percent of the operations budget, approximately \$9 million, to fund the university's highest strategic priorities. In FY2009, the university implemented a number cost containment strategies to address growing financial concerns due to the economy. These initiatives focused on cost management and cost avoidance including hiring and spending freezes, business process improvement, academic program consolidation and energy conservation, which resulted in \$64 million in onetime and recurring expenditure reductions and cost savings. In addition, the university reallocated resources totaling \$7 million to various strategic priorities, including academic programs and compensation support. These significant cost control measures cannot continue long-term without negatively impacting service levels.

II. DESCRIPTION

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

Annual Merit Increase in Compensation: State Request \$13.89 million

University employees are among the largest and highest value workforces in the state. With nearly 26,000 in-state employees, 13,000 of whom are paid through the operating budget, the in-state payroll alone provides a direct return of \$158 million in taxes. The university is a people-driven institution. Three-fourths of the annual operating budget is devoted to compensation. Recently, small UM salary increase budgets, coupled with greater salary increases in the higher education marketplace, have caused UM's market position to erode. It is critical for the state that the university maintain and, if possible, enhance its market position to be competitive in its ability to attract and retain quality faculty and staff. The total required investment to fund a 4 percent merit compensation pool is \$32.0 million; we are asking the state to fund a portion of this investment. The remaining amount will be funded by the university through efficiencies, reallocations and other sources and by an increase in tuition.

Technology, Infrastructure and On-Going Costs: State request \$5.07 million

Technological innovation, educational and research needs, as well as increasing mandates and compliance requirements drive the need to change and adapt. This funding represents the required investments in technology infrastructure, security, basic classroom technology, student service tools, and facility maintenance necessary to remain at the leading edge of discovery and education. Also included are the estimated costs to open the Orthopaedic Center on the Columbia campus, the Miller Nichols Library on the Kansas City campus and the addition and renovation of space of the St. Louis campus Science Building. The state request is for \$5.07 million with the remaining funding contributed by the university from other sources and an increase in tuition.

In summary, we are requesting that the state fund a 4.2 percent increase, or \$18.96 million of the mandatory cost, to sustain quality and competitiveness and continue operations at the current level of activity.

III. COST EXPLANATION

Increase to Core for Annual Merit Compensation & Technology, Infrastructure, & On-Going Costs:

Required Investment to Sustain Quality and Competitiveness	\$18,962,000
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IV. EVALUATION OF OUTCOMES

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

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

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

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

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Cost to Continue: State Request \$19,563,729
Decision Item Rank: 2 of 4

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The University is requesting an additional 4.3 percent increase in core operating appropriation to fund a group of needs resulting from past reductions, the lack of inflationary increases in appropriations, and growing enrollments. The request from the state would be coupled with University resources and tuition and fees. These needs are described in four different categories:

- Competitive Ranked Faculty Compensation
- St. Louis Equity Adjustment
- Support for FY2001-FY2009 Enrollment Growth
- Joint University of Missouri Kansas City/Missouri State University Pharmacy Program

II. DESCRIPTION

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

Competitive Ranked Faculty Compensation: State Request \$7.2 million

In 2007, the university identified the need for a three-year investment totaling approximately \$21.6 million in addition to the annual merit pool to reach the mean pay range for faculty in our comparator groups. The request for \$7.2 million will be used to address competitive market pressures in recruiting and retaining for the university's educators and researchers.

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

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

The university is requesting the state fund one-half of the total need. The state did not invest in the first year of this initiative. Therefore, investment in the second year would total \$10.8 million and includes the state's share of the first and second year of the program, or \$7.2 million, and the university's share of the second year of \$3.6 million. Like the first year, the university's \$3.6 million will be funded through efficiencies, reallocations and other sources. It is critical we continue to fund this competitive compensation pool in addition to the annual merit compensation pool in order to bring our full-time ranked faculty compensation levels to the average of our peers. Increased state support is critical to our ability to provide resources for this purpose. If additional investment is not made by the state for this purpose the need will continue to grow and the compensation gap will widen.

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

According to a 2002 Coordinating Board for Higher Education study that evaluated FTE funding relative to the mean and median of the appropriate Carnegie classification peer group, the University of Missouri—St. Louis (UMSL) had a significant funding gap of \$10.8 million in state appropriations. This has been addressed over the last five years by special funding allocations from System administration and new targeted funding from the state for a total of \$8.6 million. The FY2010 appropriation request of \$1.86 million is for an increase in state appropriations which when added to an additional \$345,500 reallocation provided by UM System would reach the target of \$10.8 million.

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

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

Support for FY2001-FY2009 Enrollment Growth: State Request \$8.5 million

The University has identified the need for additional funding of \$17.0 million to support the extraordinary student enrollment growth on the University's four academic campuses since FY2001. The request is calculated on growth in enrollment at the University between fall 2000 and fall 2008; during a time in which state appropriations declined or were stagnate. This request does not reflect funding needs for the expected growth in fall 2009. The request is spread over two years. The first year investment from the state is \$8.5 million.

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

At the University's four-campus, enrollment between fall 2000 and fall 2008 increased by over 9,800 students, or 25%. This is the largest enrollment increase of any Missouri public four-year university during this period. In 2009, the University granted over 14,700 degrees contributing significantly to supporting an educated workforce in Missouri. This is a 35% increase over a ten-year period. While the University has been educating more and more students, its state appropriations have declined on a per student basis. The decline in funding support per student effectively erodes the level and the potential quality of the educational experience for students. The current funding level is significantly below the national average for comparable research universities in the nation. To ensure the continued delivery of quality education for all students attending the University of Missouri a funding adjustment that acknowledges the increase in service volume is necessary.

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

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

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

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

In order to have this program be an accredited extension of the UMKC Doctor of Pharmacy program, it is necessary to have both UMKC faculty and staff based at MSU. Contingent on sustaining funding during the 2010-11 academic year, the School of Pharmacy is planning to recruit an Assistant/Associate Dean to serve as the chief administrator for this program at MSU along with a staff support person. Following establishment of the program, an additional 9.0 FTE UMKC clinical faculty will be placed at the MSU location to assist in both didactic and experiential components of the UMKC Doctor of Pharmacy program on the MSU campus. In addition, 2.0 FTE UMKC basic science faculty will be added on each campus to facilitate course transmission, and a staff person will be added at UMKC to handle the associated responsibilities of the satellite program. In order to reach the desired outcomes of this program, a recurring appropriation of \$2.0 million is needed in FY2011.

In summary, we are requesting that the state participate in funding \$19.6 million for these efforts in FY2011.

III. COST EXPLANATION

	<u>State Appropriations</u>
Competitive Ranked Faculty Compensation State Share of Funding Year 1 and 2	\$7,200,000
St. Louis Equity Adjustment	1,863,729
Enrollment Growth State Share of Funding Year 1 of 2 year request	8,500,000
Joint UMKC/MSU Pharmacy Program	<u>2,000,000</u>
Total Increase from State Appropriation	\$19,563,729

IV. EVALUATION OF OUTCOMES

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

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

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

The joint UMKC/MSU Pharmacy program will be added to the accredited offerings of the UMKC School of Pharmacy. If sustaining funding is identified, a class of 30 students will begin the program in fall 2011 on the MSU campus.

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Protecting the University Infrastructure Through Increased Maintenance and Repair Investment: \$28,600,000
Decision Item Rank: 3 of 4

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

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

II. DESCRIPTION

Deferred maintenance is defined as the upkeep of buildings and equipment postponed from an entity's normal operating budget cycle due to a lack of funds. Accumulated deferred maintenance results primarily from underfunding routine maintenance and minor repair work, or underfunding building component part replacement needed near the end of useful life, all of which evolves into a more serious condition. If an ongoing investment is not made and deferred maintenance occurs, total costs are ultimately greater. Deferred maintenance items at the university include structure, roofing, exterior cladding, building interior, vertical transportation, plumbing, HVAC, electrical, accessibility, fire protection, special equipment, and site utilities.

The university is currently investing \$28 million annually in ongoing maintenance and repair of facilities and capital equipment, or roughly 1 percent of the replacement value of the physical plant. In the 1990's the university received approximately \$12 million in state appropriations for M&R to partner on this effort. These funds are matched with \$16 million in other university funds on an annual basis for M&R of facilities and capital equipment. Prior to FY2002 the university had a policy which required the campuses spend 1.5 percent of the plant replacement value annually on M&R of their facilities and equipment. The decline in state support since FY2001, coupled with other budgetary pressures, has reduced the level of these expenditures to 1 percent of plant replacement value. This has resulted in a growing backlog of documented deferred maintenance which totals \$345 million. Currently, \$34 million of the deferred M&R projects are classified as critical. The remaining \$311 million may become critical in 1-5 years. Also, as university resources are engaged more in critical repairs, fewer resources will be available for preventive M&R work and the backlog will increase. As the normal

deterioration of physical assets continues and repairs backlog, we will eventually be unable to keep up with needed repairs. In the long term, deferred maintenance can lead to shortened building life and reduced asset value.

The total recurring need in FY2011 to stop further growth of maintenance/repair backlogs is approximately \$61 million to reach the expenditure target of 1.5% of the physical plant replacement value. This investment is estimated based on results of an external review of facilities replacement cost values completed recently. We are requesting that the state increase its current investment of \$12.1 million by an additional \$28.6 million to cover two-thirds of this need.

II. COST EXPLANATION

Protecting the University Infrastructure Through Increased Maintenance and Repair Investment:

	<u>State Appropriations</u>
Maintenance & Repair up from 1 percent to 1.5 percent of Replacement Value	<u>\$28,600,000</u>
Total Increase from State Appropriation	\$28,600,000

III. EVALUATION OF OUTCOMES

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

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

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education Unrestricted
Level 2 University of Missouri System
Level 3 All Programs
Decision Item Name: Missouri Returning Heroes Education Act: State Request \$524,983
Decision Item Rank: 4 of 4

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

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

II. DESCRIPTION

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

III. COST EXPLANATION

<u>Campus</u>	<u>Unduplicated Students</u>	<u>Fees Waived</u>
Columbia	60	\$203,205
Kansas City	50	154,088
Rolla	10	33,758
St. Louis	<u>46</u>	<u>133,932</u>
Total	166	\$524,983

Total Increase from State Appropriation \$524,983

The request is for FY2009 actual costs and reflects student headcounts and tuition waived for fall 2008, winter 2009, and half of summer 2009 semesters.

Other Programs

FY2011 APPROPRIATIONS REQUEST FOR OPERATIONS

SUMMARY OF OTHER PROGRAM REQUESTS

UNIVERSITY OF MISSOURI SYSTEM

	STATE APPROPRIATED FUNDS	NON-STATE FUNDS	TOTAL FUNDS
University of Missouri Hospitals and Clinics	\$13,711,164	\$614,862,309	\$628,573,473
Missouri Rehabilitation Center	\$12,134,125	\$22,907,815	\$35,041,940
Missouri Institute of Mental Health	\$1,909,427	\$579,669	\$2,489,096
Missouri Kidney Program	\$4,168,608		\$4,168,608
Missouri Research and Education Network (MOREnet)	\$16,771,736	\$8,160,939	\$24,932,675
Missouri Telehealth Network	\$891,897		\$891,897
Alzheimer's Program	\$436,700		\$436,700
Spinal Cord Injury Fund	\$400,000		\$400,000
State Seminary Fund	\$3,275,000		\$3,275,000
State Historical Society of Missouri	\$2,155,380		\$2,155,380

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

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

	FY2008 Actual	FY2009 Estimated	FY2010 Planned & FY2011 Core	Restoration of the Core	Increase for Sustaining Quality and Service	FY2011 Request
EXPENDITURES:						
Personal Services	\$252,729,735	\$256,525,738	\$272,431,053		\$11,442,104	\$283,873,157
Medical Supplies & Drugs	109,558,599	105,334,736	108,386,306		4,552,225	112,938,531
Purchased Services and Support	38,645,587	44,663,827	42,244,868		1,774,284	44,019,152
Interest	7,905,354	7,436,767	6,733,859		282,822	7,016,681
Federal Reimbursement Allowance	27,446,348	27,314,036	30,558,167		1,283,443	31,841,610
Other Expenditures	61,212,922	58,740,512	71,805,576		3,015,834	74,821,410
Transfers to Plant for Current Capital	40,048,262	25,318,768	35,000,000	659,254	1,470,000	37,129,254
Transfer for Future Master Facility Plan & Other	26,870,948	35,606,346	35,444,987		1,488,689	36,933,676
Total Expenditures	<u>\$564,417,755</u>	<u>\$560,940,730</u>	<u>\$602,604,816</u>	<u>\$659,254</u>	<u>\$25,309,402</u>	<u>\$628,573,472</u>
Net Paid FTE	4,147.7	4,134.1	4,903.4			4,903.4
SOURCES OF FUNDS:						
State Appropriations (Excluding MUPC Appropriations)	\$12,789,527	\$12,150,051	\$12,525,825	\$659,254	\$526,085	\$13,711,164
Non-State Revenues						
Patient Service Revenue	469,658,118	484,869,242	507,499,339	0	21,314,972	528,814,311
Federal Reimbursement Allowance	51,216,643	52,340,312	56,000,000		2,352,000	58,352,000
Other	30,753,467	11,581,125	26,579,652	0	1,116,345	27,695,997
Total Non-State Revenues	<u>551,628,228</u>	<u>548,790,679</u>	<u>590,078,991</u>	<u>0</u>	<u>24,783,318</u>	<u>614,862,309</u>
Total Sources	<u>\$564,417,755</u>	<u>\$560,940,730</u>	<u>\$602,604,816</u>	<u>\$659,254</u>	<u>\$25,309,402</u>	<u>\$628,573,472</u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

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

	FY2009 Estimated		FY2010 Planned & FY2011 Core		Restoration of the Core		Increase for Sustaining Quality and Service	FY2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:									
Teaching and Research	418.4	\$21,503,476	484.0	\$21,746,866			\$913,368	484.0	\$22,660,234
Exec., Admin., Managerial	439.9	22,608,398	547.7	24,611,195			1,033,670	547.7	25,644,865
Professional	1,810.3	93,047,156	2,109.4	94,787,252			3,981,065	2,109.4	98,768,316
Technical	694.5	35,697,470	803.7	36,112,577			1,516,728	803.7	37,629,305
Office	419.6	21,567,222	497.7	22,363,798			939,280	497.7	23,303,078
Crafts and Trades	93.0	4,780,911	103.0	4,626,993			194,334	103.0	4,821,326
Service	258.4	13,280,309	357.9	16,084,308			675,541	357.9	16,759,849
Staff Benefits		44,040,797		52,098,064			2,188,119		54,286,183
Total Personal Services	4,134.1	\$256,525,738	4,903.4	\$272,431,053	0.0	\$0	\$11,442,104	4,903.4	\$283,873,157
EXPENSE AND EQUIPMENT:									
Fuel and Utilities		\$8,066,000		\$9,916,910			\$416,510		\$10,333,420
Equipment and Equipment Maintenance		12,759,000		16,765,657			704,158		17,469,815
Medical Supplies and Drugs		105,334,736		108,386,306			4,552,225		112,938,531
Transfers to Plant for Current Capital		25,318,768		35,000,000		\$659,254	1,470,000		37,129,254
Transfers for Future Master Facility Plan Funding		35,606,346		35,444,987			1,488,689		36,933,676
All Other		117,330,142		124,659,903			5,235,716		129,895,619
Total Expense & Equipment		\$304,414,992		\$330,173,763		\$659,254	\$13,867,298		344,700,315
Grand Total	4,134.1	\$560,940,730	4,903.4	\$602,604,816	0.0	\$659,254	\$25,309,402	4,903.4	\$628,573,472

CORE BUDGET REQUEST ANALYSIS

FORM 4

UNIVERSITY OF MISSOURI HOSPITALS AND CLINICS

I. MISSION STATEMENT

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

II. PROGRAM DESCRIPTION

University Hospital, University of Missouri Health Care's flagship hospital, is a major quaternary-care referral center that operates 252 acute care beds and 61 psych beds. It offers total medical and surgical care and is the only facility in the primary service area with a burn unit, organ transplant services and genetic counseling services. The hospital offers one of the two Level I trauma centers located in Missouri verified by the American College of Surgeons. The emergency services program includes central Missouri's only air ambulance service accredited to provide emergency medical care at accident scenes and in the air, and a ground ambulance service that also offers a dedicated vehicle equipped to transport neonates and children. University Hospital expects to open the Missouri Orthopaedic Institute by summer of 2010. This facility will add state of the art orthopaedic services including 16 inpatient beds, 5 additional operating rooms, as well as outpatient clinic facilities. University Hospital is affiliated with nearby Harry S. Truman Veterans' Hospital which reinforces its leadership role in providing health care services to the region.

The University of Missouri purchased Columbia Regional Hospital (CRH) in 1999 from the Tenet Corporation. Prior to the purchase CRH had operated as a for-profit hospital since it opened in 1974. The 154-bed, acute-care hospital has physicians on its medical staff that include both private physicians and University Physicians. The Institute for Outpatient Surgery located on its campus is operated as a University and private physician partnership.

All of University of Missouri Health Care's inpatient and outpatient obstetrics and gynecology services are located on the CRH campus. All outpatient clinics were integrated in 2002 and reopened as Missouri OB/GYN Associates. In November 2003 all inpatient services were moved into the CRH Family Birth Center, which is experiencing a record number of deliveries.

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

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

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

In July 2009, the State transferred Mid-Missouri Mental Health Center to University Hospital, which opened the current 61 psych beds as University of Missouri's Psychiatric Center (MUPC). This facility is adjacent to University Hospital and the State provided \$13 million in appropriations over two years for needed improvements to the facility.

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

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

III. PERFORMANCE AND ACTIVITY MEASURES

	<u>FY2009 Estimated</u>	<u>FY2010 Planned</u>	<u>FY2011 Planned</u>
A. Students Participating in Hospital Activities at all locations:			
Medical Students	385	387	387
Nursing Students	375	385	385
Graduate Nursing Students	12	12	12
Interns and Residents	413	422	422
Total	<u>1,185</u>	<u>1,206</u>	<u>1,206</u>
B. Hospital Fiscal Data:			
Net Non-State Revenue	\$548,790,679	\$590,078,991	\$614,862,309
State Revenue (Percent of Total)	2.21%	2.12%	2.23%
C. Inpatient Discharges By Service based on Discharging Attending: (Includes Adult and Newborn)			
Surgery	4,652	5,798	5,798
Medicine	4,956	5,154	5,154
Child Health	2,744	3,452	3,452
Orthopaedics (includes Ortho Oncology)	2,626	2,125	2,125
OB/Gyn	1,542	2,248	2,248
Family Practice	1,302	1,778	1,778
Neurology	690	711	711
Otolaryngology	271	272	272
Other	26	38	38
Total	<u>18,810</u>	<u>21,576</u>	<u>21,576</u>
D. Inpatient Discharges By Responsibility: (Includes Adult and Newborn)			
Medicare	6,666	7,660	7,660
Medicaid	6,047	6,949	6,949
Managed/Commercial	4,571	5,252	5,252
Self Pay & Other	1,524	1,751	1,751
Total	<u>18,810</u>	<u>21,615</u>	<u>21,613</u>

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

	<u>FY2009 Estimated</u>	<u>FY2010 Planned</u>	<u>FY2011 Planned</u>
E. Inpatient Days:			
Adult and Pediatric	98,023	120,350	120,350
Newborn	3,376	3,809	3,809
Total	<u>101,399</u>	<u>124,159</u>	<u>124,159</u>
F. Clinic Visits	519,597	552,104	552,104
G. Emergency Room Visits	45,409	45,670	45,670
H. Hospital Statistical Data:			
Number of Beds (Adult & Pediatric)	531	466 *	467
Percent Occupancy	50.58%	70.76%	70.61%
Number of Short Stay Arrived Patients	11,428	12,432	12,432
Number of Observation Arrived Patients	3,625	4,169	4,169
Number of Surgery Cases (Inpatient and Outpatient)	18,152	17,552	17,552
Number of Perinatal Surgery Cases (Inpatient and Outpatient)	775	810	810
* FY2010 Planned beds out service at CRH for construction/renovation of Children's Hospital.			
I. Size of Physical Plant:			
Number of Gross Square Feet	1,961,535	1,961,535	* 2,075,047
Number of Net Assignable Feet	1,348,969	1,348,969	* 1,431,782
* Missouri Orthopaedic Institute included.			
J. Book Value of Equipment Inventory:			
At June 30, 2007	\$188 million		
At June 30, 2008	\$198 million		
At June 30, 2009 - Estimated	\$211 million		

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: University of Missouri Hospitals and Clinics

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

1. What does this program do?

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

University Hospitals, including Children's Hospital and University of Missouri Psychiatric Center, operates 313 beds. It offers medical and surgical care and is the only facility in the primary service area with a burn unit, organ transplant services and genetic counseling services. The hospital offers one of the two Level I Trauma Center located in Missouri accredited by the American College of Surgeons. The emergency services program includes an air ambulance service and a ground ambulance service that offers a dedicated vehicle equipped to transport neonates and children. In July 2009 University Hospital acquired University of Missouri Psychiatric Center from the State of Missouri.

Children's Hospital, a "hospital within a hospital", offers a full scope of pediatric services including a dedicated pediatrics unit, a Level III neonatal intensive-care unit and a pediatric intensive-care unit. It is anticipated that the major children's hospital services will be located at Columbia Regional Hospital in FY2011.

Columbia Regional Hospital provides all of the University of Missouri Health Care's inpatient and outpatient obstetrics and gynecology services. All outpatient clinics were integrated in 2002 as Missouri OB GYN Associates. In November 2003 all inpatient services were moved to CRH Family Birth Center which is experiencing record number of deliveries. Additional Pediatric Services are expected to move to CRH in FY 2011.

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

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

Section 172.810-172.830, RSMo

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

No

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

No

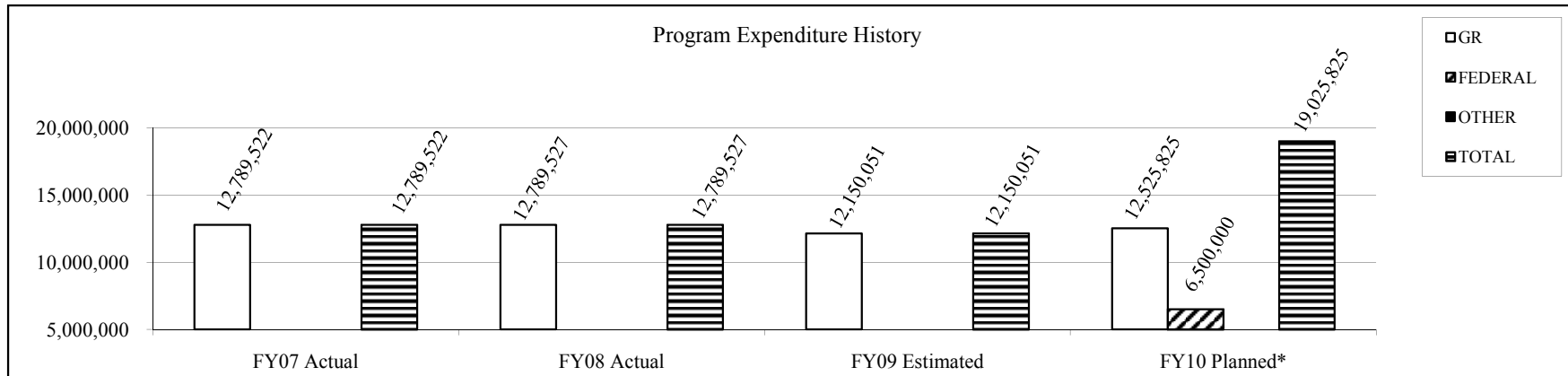
PROGRAM DESCRIPTION

Department of Higher Education

Program Name: University of Missouri Hospitals and Clinics

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

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



Appropriations are net of Governor's 3% Withholding

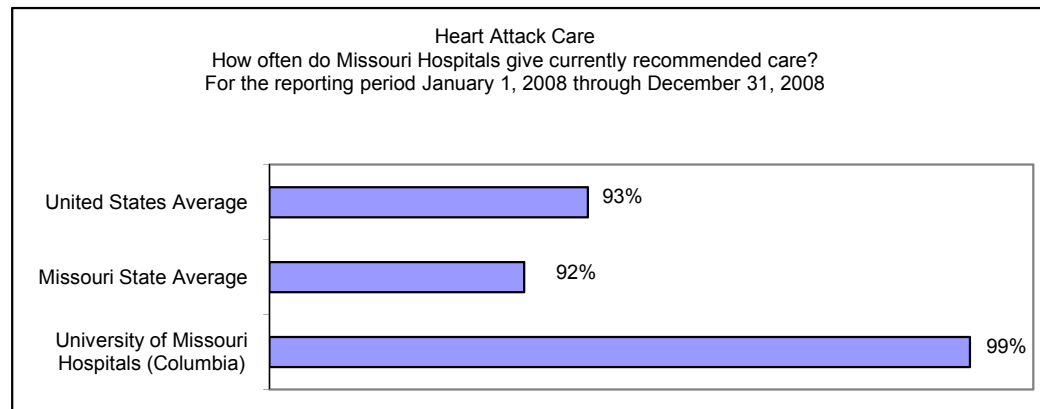
* FY 10 Planned includes Missouri Psychiatric Center Appropriation \$6.5 million.

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

All appropriated funds are from General Revenue. However, the Hospital generates substantial revenue from patients and 3rd party payors. See Form 1 for detail of nonstate revenues.

7a. Provide an effectiveness measure.

The accompanying graph, sponsored by the Centers for Medicare and Medicaid through the QualityNet public reporting initiative, represents a composite score for heart attack care. The composite scores in the graphs were calculated as the average rate of five heart attack indicators. Thus, these rates show an overall percentage of times hospitals gave currently recommend care between January 1, 2008 and December 31, 2008. A higher percentage indicates providing recommended care more often. University Hospitals and Clinics is performing better than the state or nation average in the best heart attack care.



PROGRAM DESCRIPTION

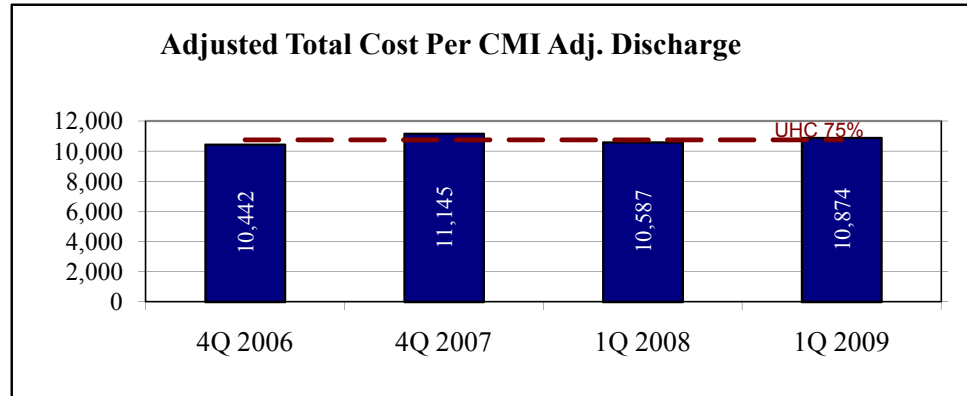
Department of Higher Education

Program Name: University of Missouri Hospitals and Clinics

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

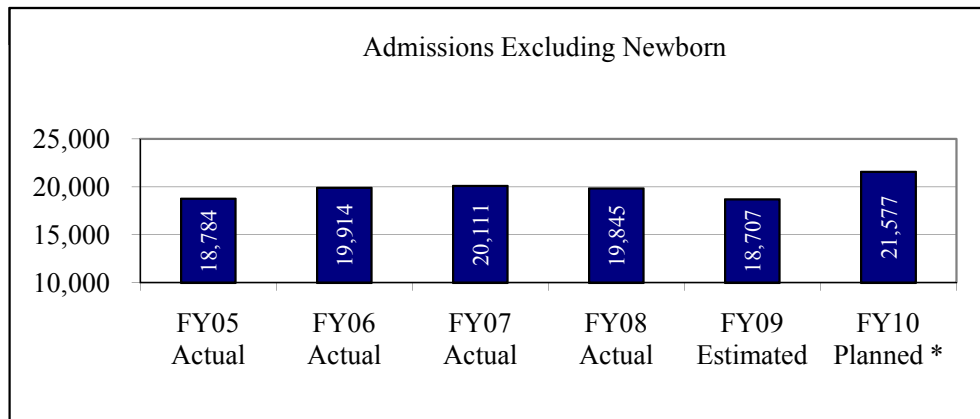
7b. Provide an efficiency measure.

University Hospitals and Clinics benchmarks overall efficiency with other university teaching hospitals. The best overall indicator of efficiency is cost per adjusted discharge. Lower costs, with consistent quality, would indicate higher efficiency. Because of the Hospital and Clinics small size and depth of services, its costs of care are higher than other medical centers, but within the 75th percentile. *The Adjusted Total Cost per Case Mix Index Adjusted Discharge, at the 75th percentile from the University Hospital Consortium (UHC) comparator group of Solucient Benchmarks for the first quarter of Calendar 2009 is \$10,874.



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

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



* FY10 Planned includes Missouri Psychiatric Center Days

PROGRAM DESCRIPTION

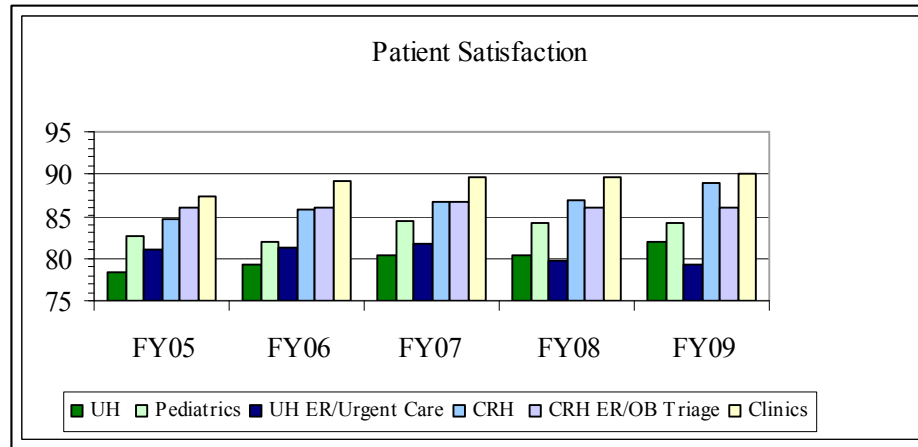
Department of Higher Education

Program Name: University of Missouri Hospitals and Clinics

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

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

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



NEW DECISION ITEM REQUEST

UNIVERSITY OF MISSOURI HOSPITALS & CLINICS FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 University Hospitals and Clinics
Decision Item Name: Restoration of the Core: \$659,254
Decision Item Rank: 1 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to appropriate funding levels.

II. DESCRIPTION

This request includes restoration of the \$659,254 core cut to the budget in FY2011. This request only includes the state funds cut from the core appropriation.

While University of Missouri's Hospitals and Clinics have been successful in controlling costs and enhancing revenues over the past years, its cost to deliver services to the public continues to rise. Lack of restoration of its core appropriations impairs the ability of University Hospitals and Clinics to continue to provide the same level of services for the citizens of Missouri. Without adequate funding, there is a potential for program reductions and delays in needed capital projects. State appropriations are also needed to offset the growing burden of uncompensated care and ensure that resources to provide health care services to the citizens of Missouri are available.

III. COST EXPLANATION

Restoration of the Core funding cut FY2010	\$659,254
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NEW DECISION ITEM REQUEST

UNIVERSITY OF MISSOURI HOSPITALS & CLINICS FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 University Hospitals and Clinics
Decision Item Name: Increase for Sustaining Quality and Service: \$526,085
Decision Item Rank: 2 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The core mission of University of Missouri Hospitals and Clinics as part of University of Missouri Health Care is to enhance the health of all people, especially Missourians. Through exceptional clinical service, University of Missouri Health Care supports the education and research missions of the University of Missouri. Our vision: Through discovery and innovation, University of Missouri Health Care will be the health system people choose for exceptional service and exemplary health care.

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

II. DESCRIPTION

The University of Missouri Hospitals and Clinics has aggressively controlled costs and enhanced revenues over the past five years. However, the cost to deliver its services to the public continues to rise. There are fixed cost increases associated with utilities, medical equipment, pharmaceuticals, and supplies and services, as well as increased costs associated with staff compensation. The hospital has undergone difficult but necessary reorganizations and streamlining to become solvent. Lack of additional funding impairs the ability of University Hospitals and Clinics to continue to provide the same level of services for the citizens of Missouri as currently provided.

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

III. COST EXPLANATION

Increase for Sustaining Quality and Service	\$526,085
State Appropriations @ 4.2 percent	\$526,085

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI REHABILITATION CENTER

	FY 2008 Actual	FY 2009 Estimated	FY2010 Planned & FY2011 Core	Restoration of the Core	Increase for Sustaining Quality and Service	FY2011 Request
EXPENDITURES:						
Personal Services	\$23,598,663	\$23,214,656	23,243,878		\$976,243	\$24,220,121
Medical Supplies & Drugs	2,765,165	2,006,349	2,093,153		87,912	2,181,065
Purchased Services and Support	2,215,214	1,768,969	2,146,534		90,154	2,236,688
Federal Reimbursement Allowance	1,919,064	1,600,105	1,400,000		58,800	1,458,800
Other Expenditures	3,643,752	3,285,267	3,541,124		148,727	3,689,851
Transfers	1,628,761	2,730,730	1,316,358	\$165,169	(226,113)	1,255,414
Total Expenditures and Transfers	<u>\$35,770,619</u>	<u>\$34,606,076</u>	<u>\$33,741,047</u>	<u>\$165,169</u>	<u>\$1,135,724</u>	<u>\$35,041,940</u>
Net Paid FTE	420.4	404.8	441.1			441.1
SOURCES OF FUNDS:						
State Appropriations	\$11,302,140	\$10,737,033	\$11,486,522	\$165,169	\$482,434	\$12,134,125
Non-State Revenues						
Net Patient Revenues	\$16,050,399	\$14,156,322	\$14,090,260	\$0	\$591,791	\$14,682,051
Federal Reimbursement Allowance	7,041,335	8,236,407	6,700,000		0	6,700,000
Other Revenues	1,376,745	1,476,314	1,464,265		61,499	1,525,764
Total Non-State Revenues	<u>\$24,468,479</u>	<u>\$23,869,043</u>	<u>\$22,254,525</u>	<u>\$0</u>	<u>\$653,290</u>	<u>\$22,907,815</u>
Total Sources	<u>\$35,770,619</u>	<u>\$34,606,076</u>	<u>\$33,741,047</u>	<u>\$165,169</u>	<u>\$1,135,724</u>	<u>\$35,041,940</u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI REHABILITATION CENTER

	FY2009 Estimated		FY2010 Planned & FY2011 Core		Restoration of the Core		Increase for Sustaining Quality and Service	FY2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:									
Teaching and Research	0.2	\$11,249	-	\$0		\$0	\$0	0.0	\$0
Exec., Admin., Managerial	57.4	2,658,555	62.6	2,604,520			109,390	62.6	2,713,910
Professional	185.3	8,583,121	212.1	8,818,685			370,385	212.1	9,189,070
Technical	86.3	3,995,332	83.3	3,462,911			145,442	83.3	3,608,353
Office	24.9	1,151,166	26.6	1,106,004			46,452	26.6	1,152,456
Crafts and Trades	18.5	854,937	21.2	880,401			36,977	21.2	917,378
Service	32.3	1,494,266	35.3	1,469,169			61,705	35.3	1,530,874
Staff Benefits		4,466,029		4,902,187			205,892		5,108,079
Total Personal Services	404.8	\$23,214,656	441.1	\$23,243,878	-	\$0	\$976,243	441.1	\$24,220,121
EXPENSE AND EQUIPMENT:									
Fuel and Utilities		\$850,000		\$925,926			\$38,889		\$964,815
Equipment and Equipment Maintenance		789,000		824,148			34,614		858,762
Medical Supplies and Drugs		2,006,349		2,093,153			87,912		2,181,065
Transfers to Plant for Current Capital		2,730,730		1,316,358		\$165,169	(226,113)		1,255,414
Other Expenditures		5,015,341		5,337,584			224,179		5,561,763
Total Expense & Equipment		\$11,391,420		\$10,497,169		\$165,169	\$159,481		\$10,821,819
Grand Total	404.8	\$34,606,076	441.1	\$33,741,047	-	\$165,169	\$1,135,724	441.1	\$35,041,940

CORE BUDGET REQUEST ANALYSIS
FORM 4
MISSOURI REHABILITATION CENTER

I. MISSION STATEMENT

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

II. PROGRAM DESCRIPTION

Missouri Rehabilitation Center (MRC) is a 79 bed rehabilitation hospital committed to providing compassionate rehabilitation services. It is recognized throughout the Midwest as a leading long-term acute care center for physical medicine and rehabilitation. Located 30 miles from Springfield and Joplin in Mount Vernon, the hospital houses an array of experts and programs for patients recovering from serious illness or injury. Comprehensive services include both inpatient and outpatient programs and specialized treatment for traumatic brain injuries, strokes, spinal cord injuries and orthopedic injuries as well as tuberculosis and other pulmonary conditions.

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. As a leader in pulmonary rehabilitation, MRC has earned the distinction of being a regional treatment center for drug-resistant tuberculosis cases. 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. Over 90% of MRC's patient charges are with self pay patients or patients with governmental payors (Medicare, Medicaid, Veterans Administration). Recently, competition has increased for patients with commercial resources, due to the opening of long term acute care hospitals in the area.

With increasing competition, lower volumes, and the increasing cost of resources, MRC has been operating at a loss for the past several years. Despite cost reduction measures and programmatic cuts University Hospital subsidizes MRC's operations. While MRC continues to seek cost efficiencies as well as new business opportunities, it will be challenging to succeed without increasing state support. Receiving the requested 4.2 percent increase in operating appropriation is critical as well as the new decision item for a capital appropriation of \$5 million to enable MRC to address the issues within its aging facilities.

III. PERFORMANCE AND ACTIVITY MEASURES

	<u>FY2009 Estimated</u>	<u>FY2010 Planned</u>	<u>FY2011 Planned</u>
A. Hospital Fiscal Data:			
Total Non State Revenues	\$23,869,043	\$22,254,525	\$22,907,815
State Revenue (Percent of Total)	44.98%	51.61%	52.97%
B. Inpatient Discharges:	392	410	410
C. Inpatient Discharges By Responsibility:			
Medicare	150	157	157
Medicaid	146	152	152
Managed/Commercial	59	61	61
Self Pay & Other	38	39	39
Total	<u>392</u>	<u>410</u>	<u>410</u>
D. Inpatient Days	15,195	15,000	15,000
F. Hospital Statistical Data:			
Number of Beds (Adult & Pediatric)	79	79	79
Percent Occupancy	52.70%	52.02%	52.02%

III. PERFORMANCE AND ACTIVITY MEASURES (continued)

	<u>FY2009 Estimated</u>	<u>FY2010 Planned</u>	<u>FY2011 Planned</u>
G. Size of Physical Plant:			
Number of Gross Square Feet	325,961	326,325	326,325
Number of Net Assignable Feet	220,907	220,907	220,907
H. Book Value of Equipment Inventory:			
At June 30, 2007	\$7.6 million		
At June 30, 2008	\$8.7 million		
At June 30, 2009 Estimated	\$8.0 million		

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Rehabilitation Center

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

1. What does this program do?

The Missouri Rehabilitation Center (MRC) is a 79-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 as well as tuberculosis and other pulmonary conditions. Over 90 percent of MRC's patient charges are with self pay patients or patients with governmental payors (Medicare, Medicaid, Veterans Administration).

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

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

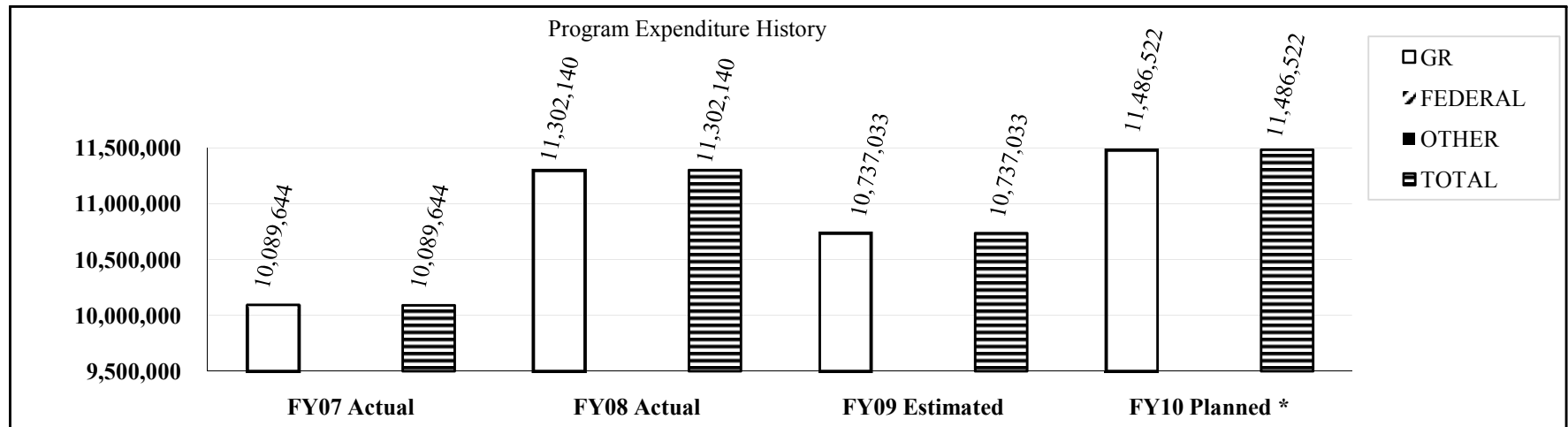
3. Are there federal matching requirements? If yes, please explain.

No

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

No

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



* Net of Governor's 3% Withholding

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Rehabilitation Center

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

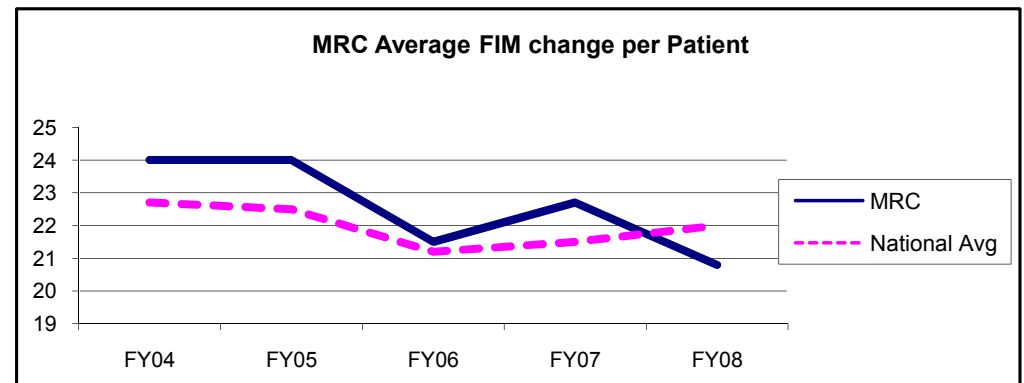
6. What are the sources of the "Other " funds?

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

7a. Provide an effectiveness measure.

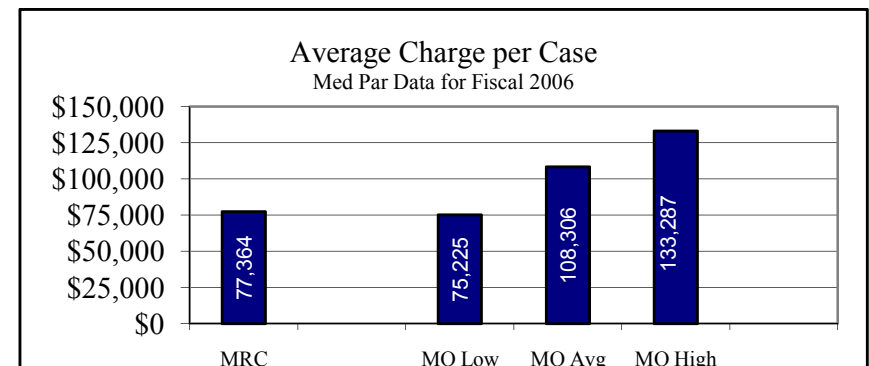
The clinical effectiveness of rehabilitation units like MRC may be best measured by using a Functional Individual Movements (FIM) score. The FIM score measures the patient's ability to perform activities of daily living. The accompanying graph depicts the average change in FIM score from admission to discharge, compared to the national average.

In FY08 MRC is slightly below the National Average. MRC's onset to admission average was 54 days for FY08. The National Average was 23. Research has shown that speed of recovery slows as a patient moves farther from their onset date. Considering the degree of spontaneous recovery and recovery made at Rehab facilities prior to admission to MRC, it would be assumed that speed of recovery would be lower than average.



7b. Provide an efficiency measure.

MRC is a long-term acute care hospital, one of relatively few hospitals of this type in the state of Missouri. Based on fiscal year 2006's Med Par data (a data base of Medicare claims), we can compare average charge per case with the other similar hospitals.



PROGRAM DESCRIPTION

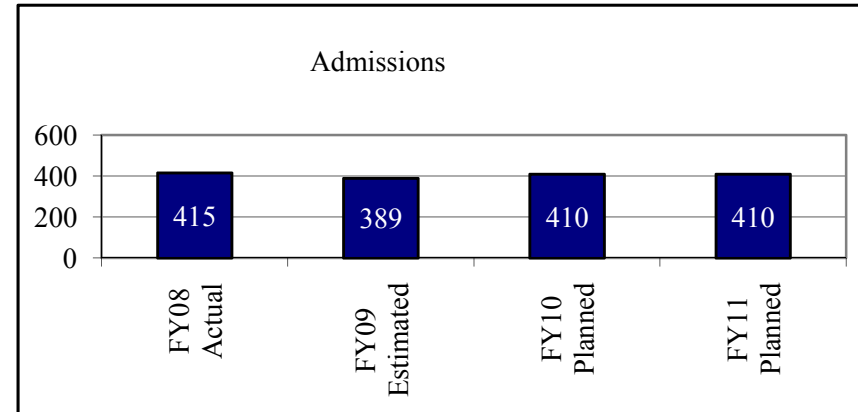
Department of Higher Education

Program Name: Missouri Rehabilitation Center

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

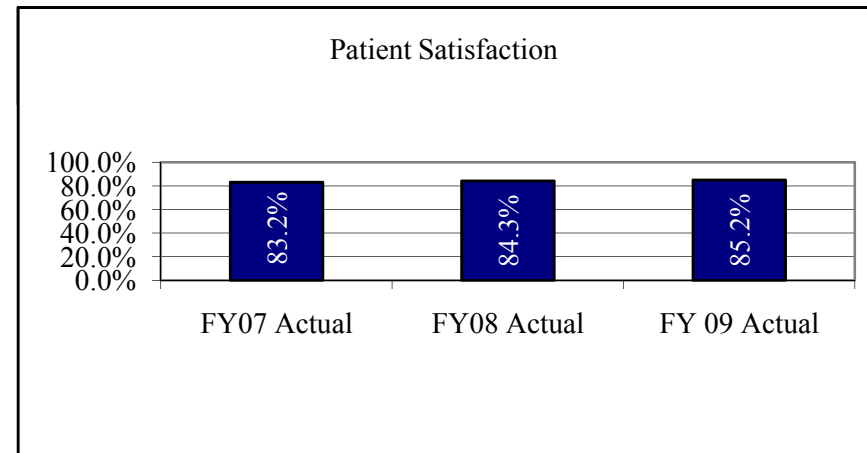
7c. Provide the number of clients/individuals served, if applicable.

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



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

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



NEW DECISION ITEM REQUEST

MISSOURI REHABILITATION CENTER FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Rehabilitation Center
Decision Item Name: Restoration of the Core: \$165,169
Decision Item Rank: 1 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to appropriate funding levels.

II. DESCRIPTION

This includes restoration of the \$165,169 core cut to the budget in FY2010. This request only includes the state funds cut from the core appropriation.

Patient base for the Missouri Rehabilitation Center (MRC) is over 90 percent Self Pay, Medicare, Medicaid or Veterans Association, which challenges MRC financially as it continues to experience cost increases for goods and services. Despite cost savings measures, expected reductions in Federal Reimbursement Allowance (FRA) payments which supplements Medicaid and uncompensated care, as well as, cuts to core appropriations has resulted in a projected operating loss for FY2010.

This request is for funds to restore the core appropriations in FY2011.

III. COST EXPLANATION

Restoration of the Core funding cut FY2010	\$165,169
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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: \$482,434
Decision Item Rank: 2 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The Missouri Rehabilitation Center (MRC) is a 79 bed long-term acute care hospital that provides an array of experts and programs for patients recovering from serious illnesses and injuries. MRC provides inpatient and outpatient services to Missourians, with special programs for traumatically brain-injured, spinal cord-injured or tuberculosis 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, however, it was not enough to cover MRC capital expenditures. In addition, with expected reductions in Federal Reimbursement Allowance (FRA) payments which supplements both Medicaid payments and uncompensated care, as well as, core cuts in state appropriations in FY2010, it is projected MRC will have an operating loss in FY2010. The FRA represents over 30 percent of MRC's net patient revenues due to the high Medicaid and uncompensated care patient load. MRC continues to experience increases in the cost of goods and services at a time when reimbursement for services declines due to serving a disproportionate share of Missouri's Medicaid and indigent clients. To continue at the current level of operations in 2011 the Missouri Rehabilitation Center will require an increase in state support to cover mandatory cost increases to sustain quality and service.

II. DESCRIPTION

The Missouri Rehabilitation Center continues to incur higher costs to deliver its services to the public. There are fixed cost increases associated with utilities, insurance, medical equipment, pharmaceuticals, and supplies and services, as well as increased costs associated with staff compensation. The personnel policies are the same for these programs as for the general operations of the university. With these higher costs and relatively flat non-state revenues, a 4.2 percent increase in state appropriations is critical to decreasing the deficit. Lack of additional funding removes the ability of the Missouri Rehabilitation Center to continue to provide the same level of services for the citizens of Missouri as currently provided.

Since FY2000, Missouri Rehabilitation Center has invested more than \$25 million in equipment and facilities without receiving capital appropriations. MRC's reserves were exhausted in FY2008 and University of Missouri Healthcare began subsidizing MRC. Without reserves, it is critical that MRC receives the requested 4.2 percent increase in operating appropriation. In addition, significant capital repairs are needed at this facility, as outlined in the new request for \$5.0 million in capital improvements.

III. COST EXPLANATION

Increase for Sustaining Quality and Service	\$482,434
State Appropriations @ 4.2 percent	\$482,434

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI INSTITUTE OF MENTAL HEALTH

	FY2008 Actual	FY2009 Estimated	FY2010 Planned & FY2011 Core	Restoration of the Core	Increase for Sustaining Quality and Service	FY2011 Request
EXPENDITURES:						
Program Operations	\$1,907,452	\$2,048,069	\$2,216,424	\$183,988	\$88,684	\$2,489,096
Total Expenditures	<u>\$1,907,452</u>	<u>\$2,048,069</u>	<u>\$2,216,424</u>	<u>\$183,988</u>	<u>\$88,684</u>	<u>\$2,489,096</u>
FTE Employees	32.4	30.0	29.2	2.8		32.0
SOURCES OF FUNDS:						
State Appropriations	\$1,784,684	\$1,695,450	\$1,655,892	\$183,988	\$69,547	\$1,909,427
Non-State Revenues	<u>122,768</u>	<u>352,619</u>	<u>560,532</u>	<u>0</u>	<u>19,137</u>	<u>579,669</u>
Total Sources	<u><u>\$1,907,452</u></u>	<u><u>\$2,048,069</u></u>	<u><u>\$2,216,424</u></u>	<u><u>\$183,988</u></u>	<u><u>\$88,684</u></u>	<u><u>\$2,489,096</u></u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI INSTITUTE OF MENTAL HEALTH

	FY2008 Actual		FY2009 Estimated		FY2010 Planned & FY2011 Core		Restoration of the Core		Increase for Sustaining Quality and Service	FY2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:											
Teaching and Research	6.3	\$462,943	5.3	\$456,634	5.8	\$470,987			\$18,842	5.8	\$489,829
Exec., Admin., Managerial	1.4	94,585	1.7	104,719	0.7	51,528	1.0	65,486	2,061	1.7	119,075
Professional	8.9	226,243	5.7	182,274	4.4	202,181	0.4	40,831	8,088	4.8	251,100
Technical	3.3	59,797	1.4	110,124	4.3	125,837			5,034	4.3	130,871
Office	12.5	372,845	15.9	434,142	14.0	422,654	1.4	52,957	16,909	15.4	492,520
Staff Benefits		317,911		318,954		496,652			19,887	0.0	516,539
Total Personal Services	32.4	\$1,534,324	30.0	\$1,606,849	29.2	\$1,769,839	2.8	\$159,274	\$70,821	32.0	\$1,999,934
EXPENSE AND EQUIPMENT:											
Fuel and Utilities											
Library Acquisitions											
Equipment		\$14,624		\$26,533							
All Other		358,504		414,687		\$446,585		\$24,714	\$17,863		\$489,163
Total Expense and Equipment		\$373,128		\$441,220		\$446,585		\$24,714	\$17,863		\$489,163
Grand Total	32.4	\$1,907,452	30.0	\$2,048,069	29.2	\$2,216,424	2.8	\$183,988	\$88,684	32.0	\$2,489,096

CORE BUDGET REQUEST ANALYSIS

FORM 4

MISSOURI INSTITUTE OF MENTAL HEALTH

I. MISSION STATEMENT

The Missouri Institute of Mental Health (MIMH) was established by a special act of the Missouri legislature for the purpose of conducting research aimed at improving services for persons served by the Department of Mental Health (DMH), and for fostering excellence in mental health services through employee training and the study of mental health policy and ethics.

II. PROGRAM DESCRIPTION

MIMH is a mental health research and training institute operated by the School of Medicine of the University of Missouri – Columbia. Most faculty and staff of the Institute have offices on the grounds of St. Louis Psychiatric Rehabilitation Center, and provide evaluation, research and training support to the DMH. The Hospital provides space and support services for the Institute. In addition, an important component of the training and research activity of the Institute is carried out on the Columbia campus of the University of Missouri in the Department of Psychiatry, where both space and administrative support services are provided by the University. This joint endeavor between the Department of Mental Health and the University of Missouri has resulted in an organizational structure that ensures academic participation in research and education for the public mental health delivery system in Missouri.

To accomplish its statutory mission, the St. Louis component of MIMH is internally organized according to function: clinical and systems research; continuing education for DMH and other public-sector mental health professionals; evaluation, policy and ethics; child and families; professional library support; and administration. Student internships and practica are offered in systems research; children and family research; and evaluation, policy and ethics. Responsibility for residency training programs in psychiatry and clinical research into psychiatric illness rests with the Department of Psychiatry in Columbia.

MIMH is an active collaborative enterprise between the University of Missouri – Columbia and the Department of Mental Health. This productive collaboration has resulted in a proud history of, and commitment to, leadership in public mental health policy, research and training.

III. PERFORMANCE AND ACTIVITY MEASURES-MISSOURI INSTITUTE OF MENTAL HEALTH

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
A. Publications and Reports:			
Scientific and Professional Publications	31	36	41
Technical Reports	77	80	85
B. Scientific and Professional Presentations	118	132	137
C. Research Grants:			
Number of Applications for External Funding	56	57	58
Number Approved/Pending	42 / 20	42 / 21	44 / 22
Number Projects in Progress	78	79	80
Total Awards-Primary Investigator	\$824,805	\$900,000	\$950,000
Total Awards-Secondary	\$3,940,650	\$4,250,000	\$5,400,000
Letters of Intent	3	4	5
D. Students:			
Graduate and Medical Students Taught	231	241	251
Undergraduate Students Taught	190	200	210
Resident Physicians Trained - Pri Psych	23	23	23
Resident Physicians Trained - Sec Psych	11	11	11
E. Continuing Education (Note: To better reflect current CE activities, we have changed our reporting measures effective 7/1/09):			
Live Conferences	12	12	13
# of Attendees	1,154	1,154	1,212
CEU Accreditation Provided	28	28	21
# of Participants	1,424	1,424	1,495
Web Conferences/Trainings	60	60	63
# of Participants	1,522	1,522	1,598
F. Consultation:			
Hours in Clinical, Programmatic, or Research	4,032	4,032	4,032
Consultation to Mo Dept. of Mental Health	3,539	3,600	3,700
Hours With Other State & Civic Agencies	2,520	2,668	2,818
Consultation Contracts	33	34	35
Consultation Contract Awards	\$1,843,852	\$1,850,000	\$1,950,000

III. PERFORMANCE AND ACTIVITY MEASURES-MISSOURI INSTITUTE OF MENTAL HEALTH (Continued)

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
G. Library Services:			
Number of Literature Searches	426	450	475
Current Awareness Requests	7,481	7,500	7,550
Articles/Books Borrowed	1,256	1,300	1,325
Articles/Books Loaned	10,967	11,000	11,050
Articles Photocopied	11,203	11,225	11,250
Circulation	1,559	1,575	1,600
H. Free Service for State Agencies **			
(Number of consultations, affiliations, etc.)			
Service to DMH	27	29	32
Service to University	7	10	13
Service to Professional Organizations	42	44	49
Service to International, National, Federal, & Other State & Local Agencies	58	65	70

** Incomplete ability to track these figures exists

PROGRAM DESCRIPTION

Department of Higher Education

Division of Four-year Colleges and Universities

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

1. What does this program do?

The MIMH is a mental health research and training institute operated by the School of Medicine of the University of Missouri – Columbia. Most faculty and staff of the institute have offices on the grounds of St. Louis Psychiatric Rehabilitation Center (SLPRC), and provide evaluation, research and training support for the Department of Mental Health (DMH). SLPRC provides space and support services for the institute. In addition, an important component of the training and research activity of the institute is carried out on the Columbia campus of the University of Missouri in the Department of Psychiatry, where both space and administrative support services are provided by the university. This joint endeavor between the DMH and the University of Missouri has resulted in an organizational structure that ensures academic participation in research and education for the public mental health delivery system in Missouri.

To accomplish its statutory mission, the St. Louis component of MIMH is internally organized according to function: behavioral health research; continuing education for DMH and other public-sector mental health professionals; evaluation, policy and ethics; child and families; professional library support; and administration. We have a historically offered postdoctoral fellowships, internships and practica are offered for graduate students in psychology, social work and public health programs; however, the postdoctoral fellowship program and the clinical psychology internship have been eliminated in response to cuts in our core budget, and at this time we are only accepting practica students. Responsibility for residency training programs in psychiatry and clinical research into psychiatric illness rests with the Department of Psychiatry in Columbia.

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

Section 630.003, RSMo

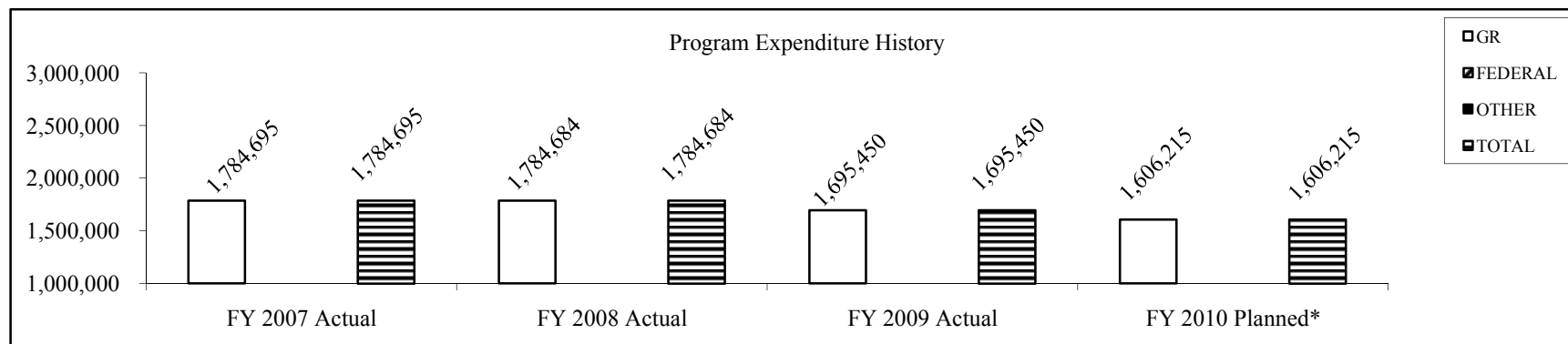
3. Are there federal matching requirements? If yes, please explain.

No

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

No

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



* Net of 3% Governor's Withholding

PROGRAM DESCRIPTION

Department of Higher Education

Division of Four-year Colleges and Universities

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

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

All appropriated funds are from General Revenue. However, MIMH receives externally funded grants and contracts in accordance with its mission of approximately \$6 million annually.

7a. Provide an effectiveness measure.

One important measure of effectiveness is the total number of new dollars MIMH brings to the University, the Department of Mental Health, and the state of Missouri each year. MIMH faculty wrote grants or provided technical assistance for state agencies and/or community groups in Missouri. Grants/contracts are normally awarded cyclically and multi-annually.

<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10 Projected</u>	<u>FY11 Projected</u>	<u>FY12 Projected</u>
\$25,594,350	\$27,280,688	\$36,514,835	\$40,000,000	\$44,000,000	\$48,000,000

7b. Provide an efficiency measure.

One measure of efficiency is the expenditures from grants and/or contracts by MIMH relative to the total number of state dollars provided each year by the taxpayers of Missouri to MIMH. The table below indicates the expenditures by MIMH for each state dollar provided to MIMH. [i.e., FY09 Total grants, contracts & consultation expenditures (\$5,859,307) divided by MIMH SLPRC available state funds (\$1,291,493)].

<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10 Projected</u>	<u>FY11 Projected</u>	<u>FY12 Projected</u>
\$3.26	\$3.51	\$4.54	\$5.00	\$6.00	\$7.00

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

The institute is not a patient service organization. It does, however provide continuing professional education to all levels of mental health and healthcare professionals. The table below contains a count of the Mental Health professionals that receive training conducted by the institute each year. These numbers do not include thousands of individuals outside of Missouri who benefit from MIMH training activities.

<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10 Projected</u>	<u>FY11 Projected</u>	<u>FY12 Projected</u>
1,749	2,836	4,100	4,100	4,500	5,000

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

We collect detailed evaluations on all speakers who participate in our continuing education activities. The satisfaction of agencies who seek us out for technical assistance with grant applications is evident in the high return rate for these groups (and the high number of successful grants written at the Institute). One measure of the satisfaction of the academic community with the work of the institute is found in the number of articles accepted in peer reviewed scholarly journals (MIMH faculty have published more than 1,000 scholarly papers since the institute was founded).

NEW DECISION ITEM REQUEST

MISSOURI INSTITUTE OF MENTAL HEALTH FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Institute of Mental Health
Decision Item Name: Restoration of the Core: \$183,988
Decision Item Rank: 1 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to appropriate funding levels.

II. DESCRIPTION

This includes restoration of the \$183,988 core cut to the budget in FY2010. This request only includes the state funds cut from the core appropriation. The Missouri Institute of Mental Health (MIMH) writes grants, conducts research, and provides training to improve services for the clients of the Missouri Department of Mental Health (DMH), and the institute supports the training of psychiatry residents. The needs and numbers served by the DMH grow every year, and the core budget cut significantly reduced our ability to meet the mission of the Institute mandated by Missouri law. The FY2010 core cut, coming on top of prior reductions of 35% in core funding since FY2001 (87% when adjusted for inflation), required the elimination of one faculty position and two staff positions, elimination of a psychology internship training program, and reduction in staff time available for audit and compliance functions related to externally funded projects. These faculty and staff reductions will result in the institute submitting fewer grants applications, and they will reduce MIMH's ability to compete for grants that bring tens of millions of federal dollars to Missouri each year. MIMH has worked hard to contain costs but needs the funding restored to improve the effects of a long history of core budget cuts and multiple years of not receiving inflationary increases.

III. COST EXPLANATION

Restoration of the Core funding cut FY2010	\$183,988
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NEW DECISION ITEM REQUEST

MISSOURI INSTITUTE OF MENTAL HEALTH FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Institute of Mental Health
Decision Item Name: Increase for Sustaining Quality and Service: \$69,547
Decision Item Rank: 2 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The Missouri Institute of Mental Health (MIMH) is a collaborative enterprise between the University of Missouri-Columbia School of Medicine and the Missouri Department of Mental Health (DMH). Its purpose is to conduct research and provide training to improve services for persons served by DMH. Since 2002, the Missouri Institute of Mental Health has had its core state appropriation reduced three times. Current levels of appropriations are below 1979 appropriations on a nominal basis, and when adjusted for inflation, the funding level becomes much more problematic. To add to the funding issue, MIMH has not had its request for mandatory cost increases approved since FY2001 and had a permanent appropriation reduction in FY2010. Because mandatory cost increase adjustments are used to offset increases in the cost of the goods and services MIMH must buy to fulfill its mission, failure to fund these increases results in an internal core reduction. Failure to fund an increase to sustain quality and service will put MIMH's activities at risk and could result in a decline in its level of operations.

II. DESCRIPTION

The Missouri Institute of Mental Health continues to incur higher costs to deliver its services to the public. Examples are fixed cost increases associated with utilities, insurance, medical equipment, supplies and services, as well as increased costs associated with staff compensation. The lack of additional funding removes the ability of the Missouri Institute of Mental Health to sustain quality and provide the same level of services for the citizens of Missouri.

The Missouri Institute of Mental Health will require funds to offset the effects of increased costs of operation. An adjustment of 4.2 percent on the state appropriation base is requested. The personnel policies are the same for these programs as for the general operations of the university.

III. COST EXPLANATION

Total Increase for Sustaining Quality and Service	\$69,547
State Appropriations @ 4.2 Percent	\$69,547

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI KIDNEY PROGRAM

	<u>FY2008 Actual</u>	<u>FY2009 Estimated</u>	<u>FY2010 Planned & FY2011 Core</u>	<u>Restoration of the Core</u>	<u>Increase for Sustaining Quality and Service</u>	<u>FY2011 Request</u>
EXPENDITURES:						
Program Operations	\$3,896,271	\$3,701,457	\$3,615,097	\$401,677	\$151,834	\$4,168,608
Total Expenditures	<u>\$3,896,271</u>	<u>\$3,701,457</u>	<u>\$3,615,097</u>	<u>\$401,677</u>	<u>\$151,834</u>	<u>\$4,168,608</u>
FTE Employees	10.5	10.5	10.1	1.0		11.1
SOURCES OF FUNDS:						
State Appropriations	\$3,896,271	\$3,701,457	\$3,615,097	\$401,677	\$151,834	\$4,168,608
Non-State Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Sources	<u><u>\$3,896,271</u></u>	<u><u>\$3,701,457</u></u>	<u><u>\$3,615,097</u></u>	<u><u>\$401,677</u></u>	<u><u>\$151,834</u></u>	<u><u>\$4,168,608</u></u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI KIDNEY PROGRAM

	FY2008 Actual		FY2009 Estimated		FY2010 Planned & FY2011 Core		Restoration of the Core		Increase for Sustaining Quality and Service	FY2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:											
Teaching and Research											
Exec., Admin., Managerial	2.7	\$160,794	2.7	\$155,168	2.0	\$115,036		\$0	\$4,832	2.0	\$119,868
Professional	6.2	255,751	6.2	247,140	5.5	231,483	1	52,000	9,722	6.5	293,205
Office	1.6	39,657	1.6	43,444	2.6	76,855		0	3,228	2.6	80,083
Staff Benefits		108,048		98,387		103,189		13,738	4,334	0.0	121,261
Total Personal Services	10.5	\$564,250	10.5	\$544,139	10.1	\$526,563	1.0	\$65,738	\$22,116	11.1	\$614,417
EXPENSE AND EQUIPMENT:											
Fuel and Utilities											
Library Acquisitions											
Equipment											
All Other											
Administrative Operations		\$52,405		\$58,748		\$73,026		\$0	\$3,067		\$76,093
Statewide Renal Education (Operations)		95,771		94,185		92,323		5,000	3,878		101,201
Maintenance & Antirejection Drugs		581,811		513,015		600,000		16,473	25,200		641,673
Transportation Assistance*		494,638		371,178		380,855		11,204	15,996		408,055
Insurance Premium Assistance		740,371		671,344		712,834		0	29,939		742,773
Emergency Medications		4,387		6,973		11,881		0	499		12,380
Patient/Staff Education		52,026		63,619		70,000		31,040	2,940		103,980
Transplant/Donor Assistance		29,280		23,450		25,000		25,000	1,050		51,050
Nutritional Supplements Program		79,983		56,558		60,000		11,283	2,520		73,803
Medicaid Spenddown		905,737		1,021,807		850,000		85,939	35,700		971,639
Ticket To Work		8,755		22,915		25,000		0	1,050		26,050
Cost Containment Research & Demonstration		286,857		253,526		187,615		150,000	7,880		345,495
Total Expense and Equipment		\$3,332,021		\$3,157,318		\$3,088,534		\$335,939	\$129,718		\$3,554,191
Grand Total	10.5	\$3,896,271	10.5	\$3,701,457	10.1	\$3,615,097	1.0	\$401,677	\$151,834	11.1	\$4,168,608

* Net after Centers for Medicare and Medicaid Services matching funds

CORE BUDGET REQUEST ANALYSIS

FORM 4

MISSOURI KIDNEY (RENAL DISEASE) PROGRAM

I. MISSION STATEMENT

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

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

II. PROGRAM DESCRIPTION:

A. Functions

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

B. Eligibility

To receive MoKP assistance, CKD patients must be United States citizens residing permanently in Missouri, or aliens lawfully admitted for permanent residence in the state. For most benefits and assistance, patients must meet an income eligibility requirement.

C. Administration

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

III. PROGRAM JUSTIFICATION

A. High Cost of Kidney Replacement Therapy

As stated above, the mission of the MoKP is to assist Missouri residents suffering the tragedy of total kidney failure to meet their medical, psychosocial and educational needs. Chronic Kidney Disease disproportionately strikes minority and low-income individuals and families. The expense of treatment is staggering: \$50,000 annually for kidney dialysis; a kidney transplant operation costs from \$150,000 to \$175,000. Anti-rejection drugs cost \$17,000 a year. Although most CKD (stage 5) patients qualify for automatic Medicare benefits, coverage does not apply during the first 90 days following kidney failure and provides only an 80 percent benefit thereafter. State kidney programs such as the MoKP are necessary to fill this void in coverage, as well as to provide assistance with transportation, prescription drugs and deductibles not covered by Medicare.

B. Increased Number of Patients Needing Assistance

Missouri is somewhat unique with regard to chronic kidney disease. Missourians are experiencing kidney failure at a higher rate than the national average. This may be attributed to a number of factors including the general aging of the population and the tendency of CKD to be slanted toward the last trimester of life. The highest rate of increase is in the population over 60 years old, with a disproportionate tendency toward non-Caucasians and persons with diabetes or hypertension. It is unlikely this trend will change in the foreseeable future and the number of Missourians experiencing CKD will increase. Of the 6,500+ CKD patients in Missouri, MoKP is able to provide assistance to only approximately 33 percent of CKD patients. If the MoKP funding levels are maintained at current levels while the universe of CKD patient grows then the percentage of Missouri citizens able to obtain help from the program will decrease. Residents of nearly every Missouri county and every legislative district need and receive MoKP assistance.

C. Summary

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

IV. PERFORMANCE AND ACTIVITY MEASURES

	FY2009	FY2010	FY2011
A. CERTIFIED and PARTICIPATING RENAL FACILITIES	145	150	155
B. MISSOURI ESRD PATIENTS - Calendar Year data	CY2007	CY2008	CY2009
1. Dialysis Census *	6,467	6,790	7,129
2. Estimated Transplant Census **	1,200 (est)	1,200 (est)	1,200 (est)
Total Census	7,667	7,990	8,329

* Provided from Network 12 data CY2007

** The data is estimated based on actual transplants provided to us from the various transplant centers in MO for CY2002. During FY2003 it became clear that HIPAA regulations barred us from collecting patient sensitive personal information on patients other than ones MoKP provides services for. MoKP served 451 transplant patients as of June 30, 2009. This is an unfortunate example of government regulation preventing us from knowing and understanding our patient population.

	FY2009	FY2010	FY2011
ESRD PATIENTS RECEIVING ASSISTANCE	2,491	2,615	2,745

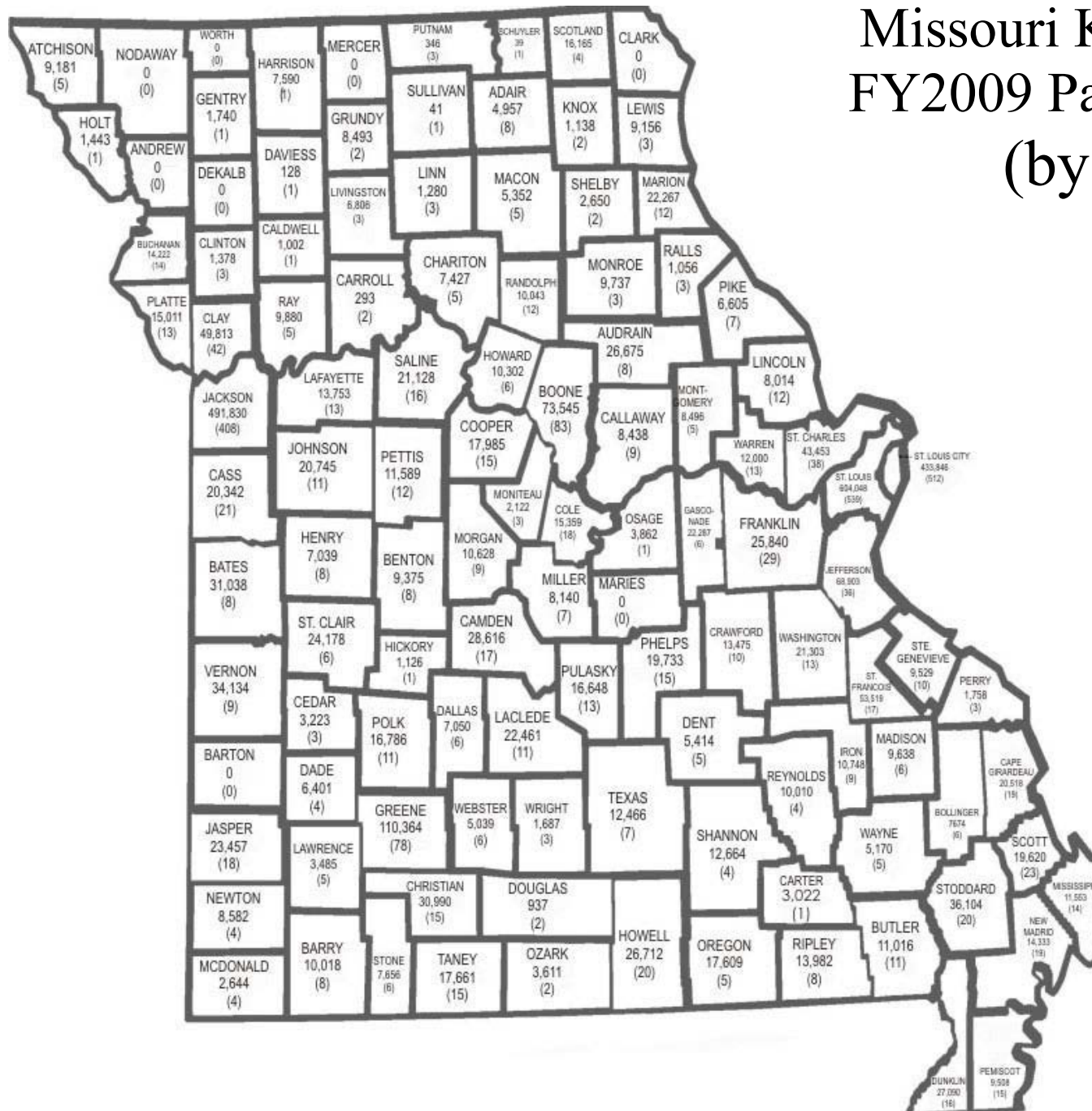
C. PATIENT GROWTH AND UNIT COST PROJECTIONS

The average dollar value of assistance (unit cost) provided to MoKP eligible patients during FY2009 was \$1,079. There continues to be consistent and significant growth in CKD patients. Erosion of benefits over the past three years have decreased our ability to fund direct medical expenses to dialysis and transplant facilities, which is a core goal of MoKP. In addition, our goal of funding cost containment research has also been temporarily suspended due to recent budget reductions. Fortunately through collaborated efforts of the MoKP staff we increasingly share treatment and other expenses with Medicare, MO HealthNet, and commercial insurance. Efforts with the centralized drug program, which provides maintenance and anti-rejection drugs, have been especially successful with the addition of Medicare Part D, MO Rx, and continued success with the contract pharmacy.

Following is an analysis of actual and projected dollar value of assistance (unit cost) for FY2009 and for FY2011 respectively, assuming 5% annual patient growth from FY2009 and FY2010.

<u>Type of Assistance</u>	<u>FY2009 ACTUAL</u>		<u>FY2011 PROJECTED</u>	
	<u>Number of Patients</u>	<u>Unit Cost \$</u>	<u>Number of Patients</u>	<u>Unit Cost \$</u>
Maintenance & Anti-rejection Drugs	1,773	289	1,861	331
Dialysis Treatment	0	0	0	0
Transportation	925	401	971	404
Insurance Premiums	649	1,034	681	1,047
Emergency Medications	19	367	20	594
Transplant Donor Assistance	15	1,563	16	3,125
Nutritional Supplements	312	181	328	217
Medicaid Spenddown	796	1,284	836	1,077
Ticket to Work	34	674	36	694
<u>Unduplicated Patients Served/Average Unit Cost</u>	<u>2,491</u>	<u>1,079</u>	<u>2,745</u>	<u>1,013</u>

Missouri Kidney Program FY2009 Patient Assistance (by county)



Dollars
(Patients)

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Kidney Program

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

1. What does this program do?

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

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

Section 172.875, RSMo

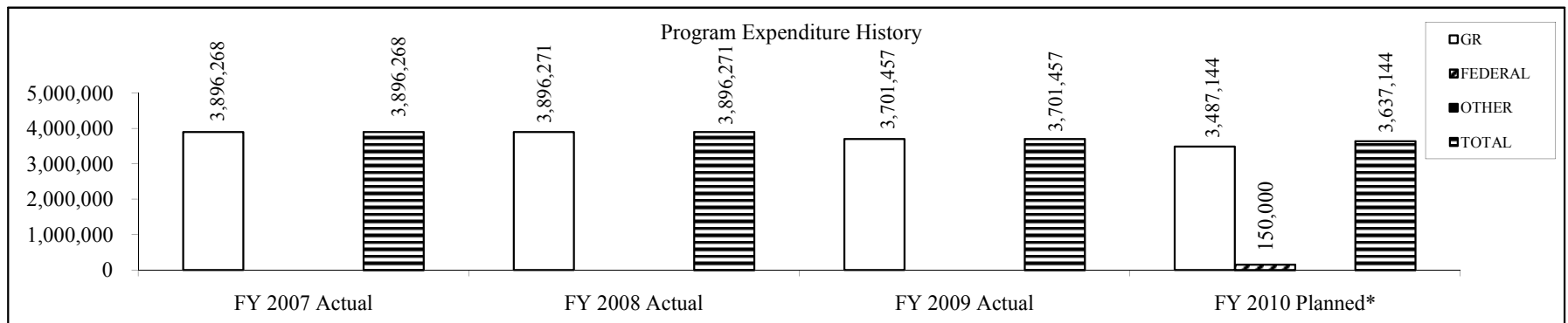
3. Are there federal matching requirements? If yes, please explain.

No

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

No

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



* Net of 3% Governor's withholding and additional 10% withholding on federal budget stabilization 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

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

None

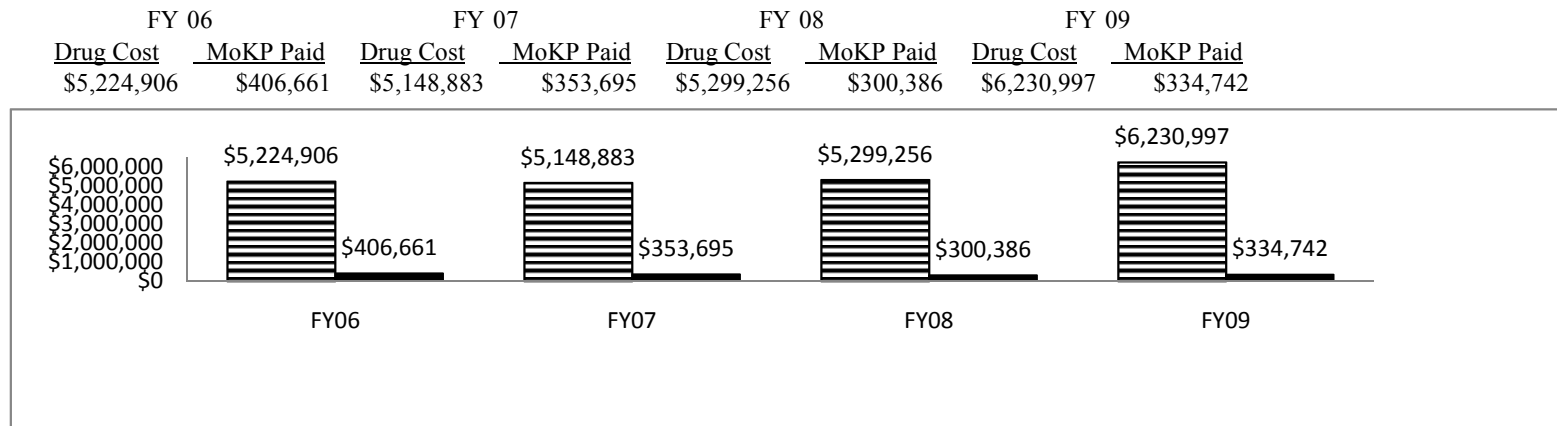
7a. Provide an effectiveness measure.

MoKP effectiveness is measured by the number of dollars of the appropriation going to reimburse patient care, education and research activities. MoKP expends about 85% of its appropriation for patient care related activities.

FY 07		FY 08		FY 09 Estimated		FY 10 Projected		FY 11 Projected		FY 12 Projected	
<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>	<u>Patient Exp</u>	<u>Total Exp</u>
\$3,295,255	\$3,896,268	\$3,279,616	\$3,896,271	\$3,004,385	\$3,701,457	\$3,068,185	\$3,637,144	\$3,437,017	\$4,043,550	\$3,540,128	\$4,164,856

7b. Provide an efficiency measure.

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



PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Missouri Kidney Program

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

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

The table below lists the number of clients served and the projected need in one or more of our programmatic entities. We have maximized our patient service delivery capabilities by micromanaging our current appropriation level. The need far exceeds the level of appropriation that has been available. The projections listed for FY10, FY11, and FY12 are based on need.

FY05	FY06	FY07	FY08	FY09 Est	FY10 Proj	FY11 Proj	FY12 Proj
2,842	2,673	2,539	2,563	2,491	2,615	2,745	2,882

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

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

	FY05	FY06	FY07	FY08	FY09
Questionnaires Received	94	47	100	96	89

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: \$401,677
Decision Item Rank: 1 of 2

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 \$150,000 to replace federal budget stabilization funds included in the FY2010 core budget, and restoration of the \$251,677 core cut to the FY 2010 budget.

II. DESCRIPTION

Life-threatening renal 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.

There are 6,467 End-Stage Renal Disease (ESRD) patients throughout Missouri. Unfortunately, due to previous year budget cuts MoKP can barely assist 40% of this population. With the growing trend in Missouri of diabetes, obesity, and the elderly population, renal disease is increasing. Each year the ESRD population continues to grow by approximately 3%. Further MoKP budget cuts will reduce its ability to assist this growing population.

It is imperative to restore the FY2010 6% budget reduction (\$251,677) to MoKP to fulfill its mission of providing education, research, and direct patient assistance to chronic kidney patients. With this reduction, MoKP has had to terminate its cost containment research grants, which has enjoyed a 20+ year tradition of strategizing potential cost reductions in the renal field. In addition, the 6% reduction of the current level of funding reduces the program's educational efforts which are geared toward prevention and pre-dialysis patients. These preventive educational strategies are geared to 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, putting an additional burden on the individual and family, healthcare community, and state/Federal resources (MO HealthNet program, Medicare and Social Security Disability). On an individual level, MoKP's mission is to promote educated and healthy kidney patients, who can remain employed, plus enjoy an active and productive quality of life.

The FY2010 Federal Budget Stabilization Fund has been used to carry out the program operations as described in the Form 4 and other supporting forms.

III. COST EXPLANATION

Restoration of Core funding	\$251,677
General revenue supplanted by federal budget stabilization funds in FY2010	<u>150,000</u>
Total State Appropriations	\$401,677

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: Increase for Sustaining Quality and Service: \$158,134
Decision Item Rank: 2 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The Missouri Kidney Program's (MoKP) mission is to assist eligible Missouri residents who have chronic renal insufficiency or renal transplant to meet their medical, educational, and psychosocial needs. The number of Missouri residents who qualify for assistance increases each year. The cost of treatment continues to rise. Current appropriations levels are lower than the mid-1980's in nominal terms, and when adjusted for inflation they are substantially below historic levels. To add to the funding issue, the MoKP has not had an increase for mandatory cost adjustments approved since FY2001 and received a 6 percent core reduction in FY2010 appropriation funding. Because mandatory cost increase adjustments are used to offset increases in the cost of the goods and services the Kidney Program must buy to provide patient services and fulfill its mission, failure to fund these increases results in an internal core reduction. As a result, the average dollar value of assistance to MoKP-eligible patients continues to decline.

II. DESCRIPTION

The MoKP continues to incur higher costs to deliver its services to the public, including fixed cost increases associated with insurance, medical equipment and services, pharmaceuticals, information technology, and supplies and services, as well as increased costs associated with staff compensation. Lack of additional funding removes the ability of the MoKP to sustain the quality and the level of services for the citizens of Missouri as currently provided.

In order to sustain quality and service at current levels the MoKP will require funds to offset the effects of increased costs of operation. An adjustment of 4.2 percent on the state appropriation base is requested. The personnel policies are the same for these programs as for the general operations of the university.

III. COST EXPLANATION

Total Increase for Sustaining Quality and Service	\$158,134
State Appropriations @ 4.2 percent	\$158,134

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI RESEARCH AND EDUCATION NETWORK (MORENET)

	<u>FY2008 Actual</u>	<u>FY2009 Estimated</u>	<u>FY2010 Planned & FY2011 Core</u>	<u>Restoration of the Core</u>	<u>Increase for Sustaining Quality and Service</u>	<u>One-Time Equipment Replacement</u>	<u>FY2011 Request</u>
EXPENDITURES:							
Program Operations							
Shared Network, Research, Video	\$12,319,859	\$12,443,460	\$10,887,475	\$765,277	\$435,499	\$3,535,000	\$14,347,788
Higher Education Connections	686,404	798,290	640,334		25,613		665,947
Public Schools TNP Connections	<u>5,727,420</u>	<u>6,640,594</u>	<u>9,046,880</u>	<u>510,184</u>	<u>361,875</u>	<u>0</u>	<u>9,918,940</u>
Total Expenditures	\$18,733,683	\$19,882,344	\$20,574,689	\$1,275,461	\$822,988	\$3,535,000	\$24,932,675
FTE Employees	66.1	53.9	48.6				48.6
SOURCES OF FUNDS:							
State Appropriations - Recurring	\$12,446,974	\$11,753,375	\$11,479,151	\$1,275,461	\$482,124		\$13,236,736
State Appropriations - Non-Recurring			1,275,461			\$3,535,000	3,535,000
Other	<u>6,286,709</u>	<u>8,128,969</u>	<u>7,820,077</u>	<u>0</u>	<u>340,864</u>		<u>8,160,939</u>
Total Sources	<u>\$18,733,683</u>	<u>\$19,882,344</u>	<u>\$20,574,689</u>	<u>\$1,275,461</u>	<u>\$822,988</u>	<u>\$3,535,000</u>	<u>\$24,932,675</u>

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI RESEARCH AND EDUCATION NETWORK (MORENET)

	FY2008 Actual		FY2009 Estimated		FY2010 Planned & FY2011 Core		Restoration of the Core		Increase for Sustaining Quality and Service	One-Time Equipment Replacements	FY2011 Request	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
PERSONAL SERVICES:												
Teaching & Research Exec., Admin., Managerial Professional	66.1	\$3,707,676	53.9	\$3,570,689	48.6	\$2,924,959					48.6	\$2,924,959
Technical Office Other												
Staff Benefits		1,094,831		1,004,175		844,436						844,436
Total Personal Services	66.1	\$4,802,507	53.9	\$4,574,864	48.6	\$3,769,394	-	\$0	\$0	\$0	48.6	\$3,769,394
EXPENSE AND EQUIPMENT:												
Fuel and Utilities Library Acquisitions Equipment All Other		\$13,931,176		\$15,307,480		\$16,805,294		\$1,275,461	\$822,988	\$3,535,000		\$21,163,281
Total Expense & Equipment		\$13,931,176		\$15,307,480		\$16,805,294		\$1,275,461	\$822,988	\$3,535,000		\$21,163,281
Grand Total	66.1	\$18,733,683	53.9	\$19,882,344	48.6	\$20,574,689	0.0	\$1,275,461	\$822,988	\$3,535,000	48.6	\$24,932,675

CORE BUDGET REQUEST ANALYSIS

FORM 4

MISSOURI RESEARCH AND EDUCATION NETWORK (MORENET)

I. MISSION STATEMENT

MOREnet's Vision

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

MOREnet's Core Purpose

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

II. PROGRAM DESCRIPTION

The Shared Network

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

Member Connections

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

Shared Network Capacity and Procurement

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

III. PERFORMANCE AND ACTIVITY MEASURES

	<u>Actual FY2008</u>	<u>Actual FY2009</u>	<u>Projected FY2010</u>	<u>Projected FY 2011</u>
Member Connections (Total MOREnet)	1,025	1,030	1,030	1,030
Total Access to Missouri Backbone from Member Connections (Gb)	6.800	9.171	12.500	16.750
Network Backbone Capacity Minimum hub-to-hub capacity (Gb)	1.000	10.000	10.000	10.000
Internet Access Capacity (Gb)	4.220	5.500	5.500	6.500
Video Events	19,489	19,720	19,000	19,000

PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

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

1. What does this program do?

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

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

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

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

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

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

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

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

No

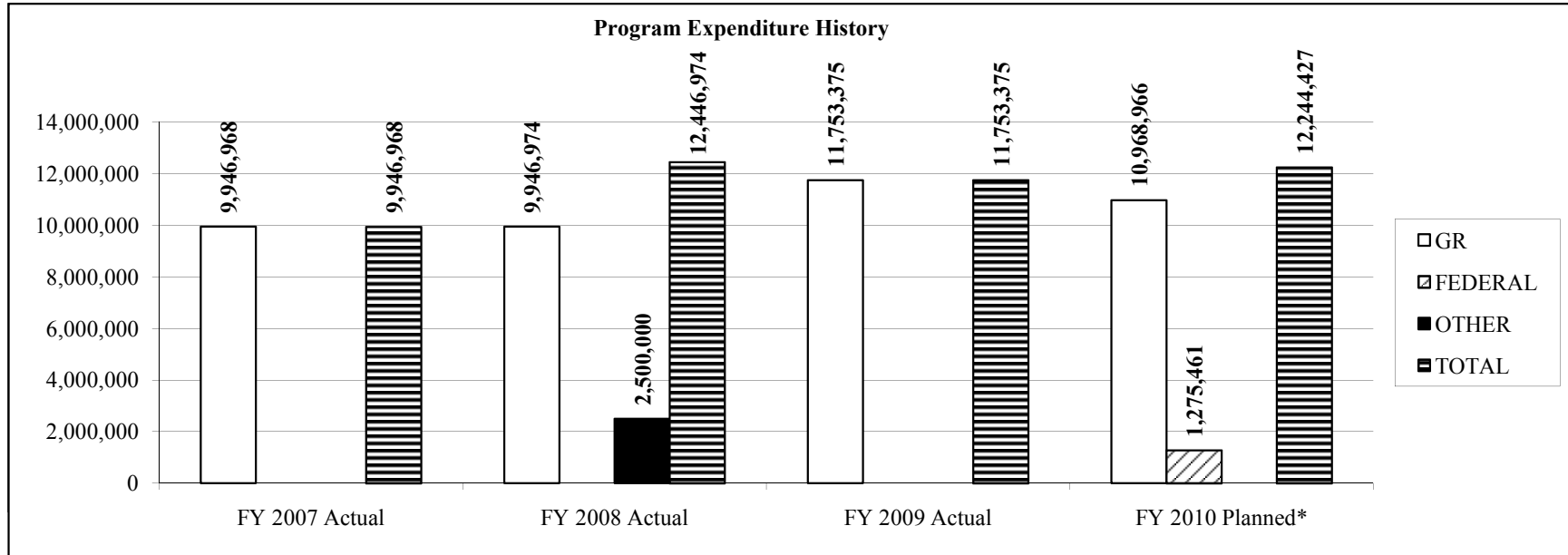
PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

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

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



* Net of 3% Governor's withholding and additional 10% withholding on federal budget stabilization funds.

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

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

PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

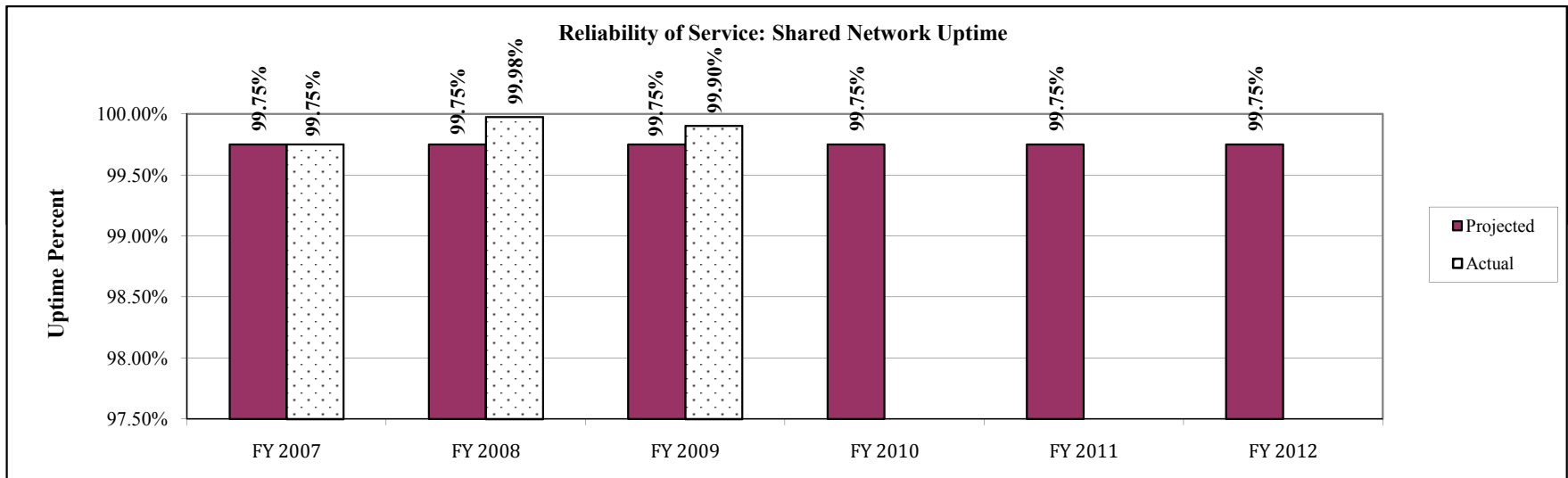
Program is found in the following core budget(s): MOREnet

7a. Provide an effectiveness measure.

Reliability of Service: Shared Network Uptime

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

	FY 2007 Projected	FY 2007 Actual	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
Member Network Uptime	99.75%	99.75%	99.75%	99.98%	99.75%	99.90%	99.75%	99.75%	99.75%



PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

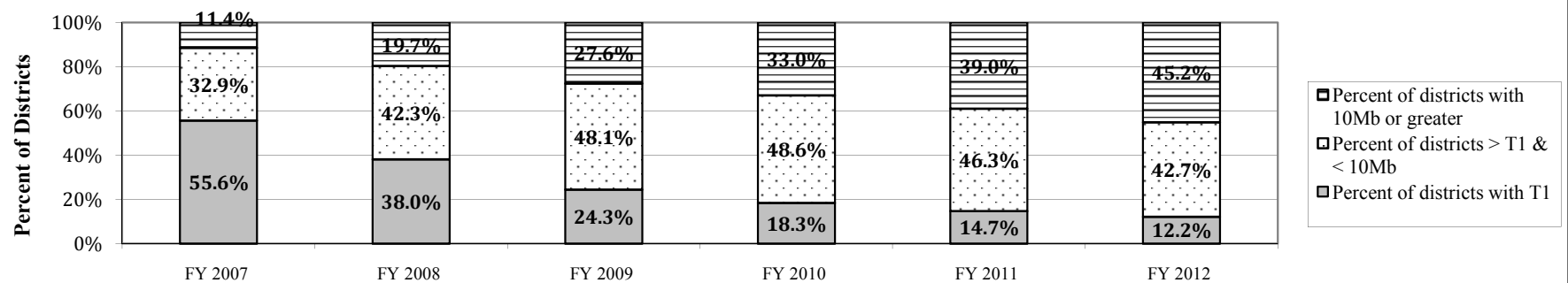
Program is found in the following core budget(s): MOREnet

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

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

	FY 2007 Projected	FY 2007 Actual	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
Pct 10Mb+	13.6%	11.4%	19.4%	19.7%	24.9%	27.6%	33.0%	39.0%	45.2%
Pct > T1 & < 10Mb	24.4%	32.9%	38.2%	42.3%	45.4%	48.1%	48.6%	46.3%	42.7%
Pct with T1	62.0%	55.6%	41.7%	38.0%	29.7%	24.3%	18.3%	14.7%	12.2%

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



PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

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

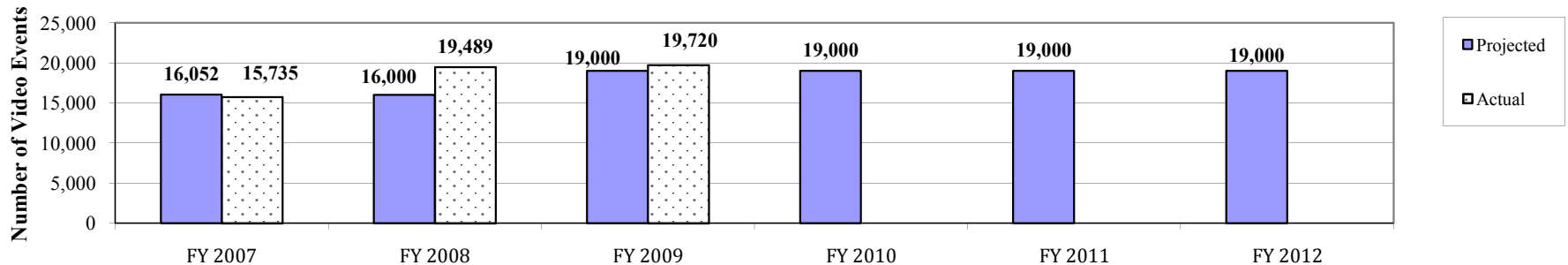
Learning Supported by Internet Access: Number of MOREnet Supported Video Sites and Events

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

	FY 2007 Projected	FY 2007 Actual	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
Video Events	16,052	15,735	16,000	19,489	19,000	19,720	19,000	19,000	19,000
Video Sites*	55,441	53,553	53,553	68,112	68,000	72,076	68,000	68,000	68,000

*The average video event includes participation between several sites.

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



PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

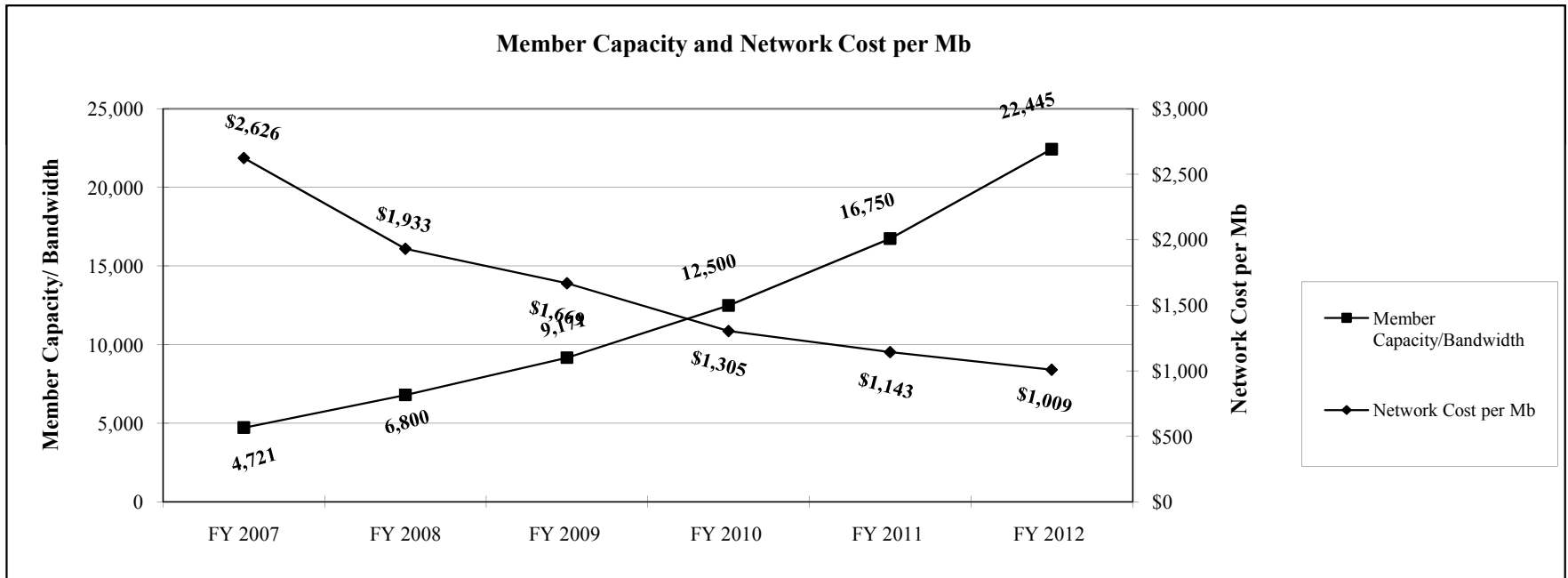
Program is found in the following core budget(s): MOREnet

7b. Provide an efficiency measure.

Demand Growth and Cost Efficiency: Capacity and Cost per Mb

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

	FY 2007 Projected	FY 2007 Actual	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
Member Capacity in Mb	4,405	4,721	6,137	6,800	9,500	9,171	12,500	16,750	22,445
Network Cost per Mb	\$2,782	\$2,626	\$2,249	\$1,933	\$1,619	\$1,669	\$1,305	\$1,143	\$1,009



PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

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

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

MOREnet provides Internet connections to 100% of public higher education institutions, 96% of major four-year private not-for-profit higher education institutions, 98% of public elementary and secondary districts, and 89% of eligible public libraries in the state, as well as state government, the Missouri Telehealth Network, and the University of Missouri Extension offices. Citizens accessing the websites of any of these institutions do so via services provided by MOREnet.

Program	FY 2007		FY 2008		FY 2009		FY 2010	FY 2011	FY 2012
	Projected	Actual	Projected	Actual	Projected	Actual	Target	Target	Target
Public K-12 Districts	513	516	516	518	519	518	518	518	518
Colleges and Universities	67	67	67	68	66	66	66	66	66
Library Districts ¹	131	131	132	133	134	133	134	134	134
Affiliate Members ²	26	29	28	38	38	20	20	20	20
Total Members	737	743	743	757	757	737	738	738	738

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

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

Public	217,625	218,278	218,278	223,096	223,096	228,922	228,922	228,922	228,922
Private Not-For-Profit	106,610	108,448	108,448	111,425	111,425	112,520	112,520	112,520	112,520
Specialized Not-For Profits	not projected	12,384	not projected	12,865	not projected	13,229	13,229	13,229	13,229
Postsecondary Students ³	324,235	339,110	326,726	347,386	334,521	354,671	354,671	354,671	354,671
Public K-12 Students ⁴	858,674	869,440	869,440	870,050	870,260	865,615	865,615	865,615	865,615
Total Students	1,182,909	1,196,166	1,196,166	1,204,571	1,204,781	1,220,286	1,220,286	1,220,286	1,220,286

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

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

PROGRAM DESCRIPTION

Department of Higher Education

Missouri Research and Education Network (MOREnet)

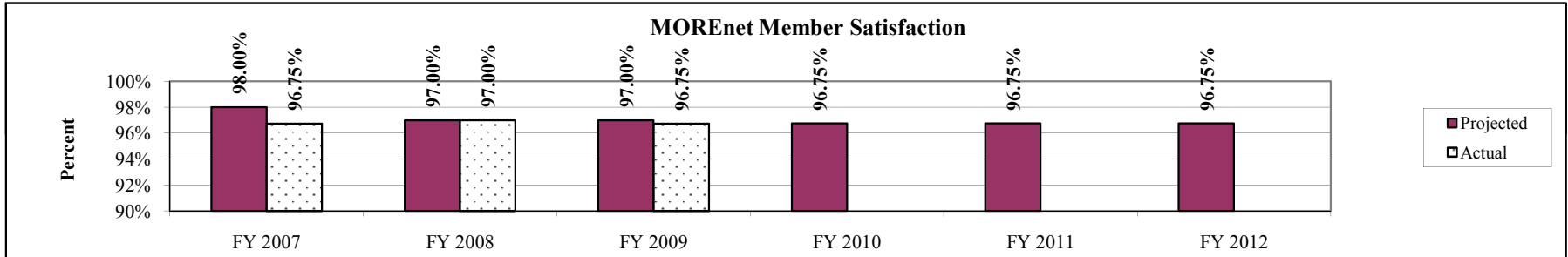
Program is found in the following core budget(s): MOREnet

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

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

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

	FY 2007 Projected	FY 2007 Actual	FY 2008 Projected	FY 2008 Actual	FY 2009 Projected	FY 2009 Actual	FY 2010 Target	FY 2011 Target	FY 2012 Target
Help Desk Satisfaction	98.00%	96.75%	97.00%	97.00%	97.00%	96.75%	96.75%	96.75%	96.75%



NEW DECISION ITEM REQUEST

MISSOURI RESEARCH AND EDUCATION NETWORK (MORENET) FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Research and Education Network (MOREnet)
Decision Item Name: Restoration of the Core: \$1,275,461
Decision Item Rank: 1 of 3

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state general revenue to replace the federal budget stabilization funds included in the FY2010 core budget.

II. DESCRIPTION

For MOREnet, the restoration of the base would be used for the projected cost of meeting the demand from public K-12 school districts for additional local telecommunication connection capacity to the Shared Network and potential additional shared network costs related to this demand. Increases in expenses of the magnitude currently projected for FY2011 cannot be absorbed with existing fund sources and would likely result in a more than 30% increase in K-12 school fees. Increases in fees of this amount would likely drive away current members and would potentially threaten consortium benefits for all members, not just public school districts. Failure to supply adequate access threatens the services and public benefits provided to Missouri students.

III. COST EXPLANATION

General revenue supplanted by federal budget stabilization funds in FY2010	\$1,275,461
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NEW DECISION ITEM REQUEST

MISSOURI RESEARCH AND EDUCATION NETWORK (MORENET) FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Research and Education Network (MOREnet)
Decision Item Name: Increase for Sustaining Quality and Service: \$482,124
Decision Item Rank: 2 of 3

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

Missouri Research and Education Network (MOREnet) provides Internet access and telecommunications services to elementary, secondary, and higher education communities, public libraries, and state government. MOREnet has worked to contain costs through administrative efficiencies, competitive bidding and innovative technological solutions. However increases in the cost of the goods and services MOREnet must buy to provide its network services and fulfill its mission do occur. Failure to fund these increases makes it impossible for MOREnet to sustain quality and service and results in internal core reductions and increased member fees.

II. DESCRIPTION

MOREnet continues to incur higher costs to deliver its services to the public, including cost increases in telecommunications, information technology equipment, utilities, and staff compensation. While the personnel policies for MOREnet are the same as those for the general operations of the university, MOREnet does not receive funding from the university for salary increases, or other increasing costs.

One of the greatest areas of cost pressure is related to the demand from public K-12 school districts for additional local telecommunication connections capacity. 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.

III. COST EXPLANATION

This request is based on an adjustment of 4.2 percent of the state appropriations base to offset the effects of increased costs of operation. Included is a 4 percent compensation pool plus associated employee benefits.

State Appropriations @ 4.2 Percent

\$482,124

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department:	Higher Education Unrestricted
Level 2	University of Missouri System
Level 3	Missouri Research and Education Network (MOREnet)
Decision Item Name:	One-Time Network, and Video Equipment Replacement: \$3,535,000
Decision Item Rank:	3 of 3

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

An important differentiator in the connectivity MOREnet manages is related to the intrastate connectivity, or network backbone. The network backbone functions like an interstate highway system, with pathways similar to I-70 and I-44. All MOREnet members use the network backbone every day when connecting with each other and the outside world. A robust, reliable, and secure network is essential to maintain a high-speed, high-quality channel for data and video traffic including video distance learning and remote medical services (Telehealth). The backbone also consolidates bandwidth to contain costs.

There are significant equipment investments necessary for the operation of this shared network. The equipment required includes equipment to aggregate individual member connections as they connect to the network backbone, routing infrastructure to control Internet traffic within and outside the state, equipment to manage Internet traffic coming into and out of the state, and equipment to connect to each member location. For FY2011 MOREnet will incur major one-time equipment costs for the shared network to keep pace with the 35 percent annual growth in bandwidth from our members, to meet new technology standards, and to replace aging equipment.

In addition, MOREnet manages one of the largest videoconference bridging services found in education, providing the opportunity for all MOREnet members to benefit from the centralized, statewide service. Video services at MOREnet are offered on a reliable, dedicated network necessary for point-to-point and multipoint videoconferencing. Authorized users such as K-12 schools, higher education institutions, libraries, state government agencies and hospitals are assured the ability to communicate full-motion video via the high quality, statewide IP network maintained by MOREnet. MOREnet supported video services give Missouri students the opportunity to learn in expanded, virtual classrooms with lecturing teachers or professors located miles away.

MOREnet member video events have increased more than 300 percent in the past five years with the addition of several K-12 and higher education video users, and we expect the trend to continue to increase. For FY2011 MOREnet will need to upgrade the centralized video equipment in order to address increasing volume and capacity needs, improve quality and performance and enable a diversified and redundant video network environment in order to meet business continuity requirements, improving the reliability of the service.

II. DESCRIPTION

Core Router Technology Refresh -- \$2,638,000

The current Cisco 12000 series backbone routers and Cisco 10000 series aggregation routers went into production in 1999. A technology refresh is needed to maintain performance and support the growth in bandwidth, as well as to support the new Internet addressing standards (IPv6). The growth in Internet access, the continued increase of Internet security risks and the need to connect directly with content providers to reduce Internet costs require that we add new network equipment that connects the MOREnet backbone to the Internet.

Video Equipment -- \$897,000

A video equipment refresh is needed to support the increased use of video services, to support new video standards, including high-definition two-way videoconferencing, and to improve performance and reliability of the video service.

III. COST EXPLANATION

Based on current equipment contract prices, the cost of equipment and first-year maintenance is estimated as follows:

- Backbone routers: 6 routers for a total cost of \$1,555,000
- Aggregation routers: 10 routers for a total cost of \$1,083,000
- Video Equipment: \$897,000

ONE-TIME FUNDS

PCS	FTE	Compensation	E&E	Total
Instruction				
Research				
Public Service			\$3,535,000	\$3,535,000
Academic Support				
Student Services				
Institutional Support				
Operation & Maintenance of Plant				
Scholarships & Fellowships				
Total Improvements			\$3,535,000	\$3,535,000

From State Appropriations

\$3,535,000

IV. EVALUATION OF OUTCOMES

Positive Results – Core Technology Router Refresh

- Adequate shared network capacity and improved equipment performance and reliability will help minimize network congestion while accessing the shared network and the commodity Internet. Adequate shared network capacity will allow members, students and faculty access to the basic needs of the education community for routine research and access to content to supplement outdated textbooks.
- Increased shared network capacity and improved equipment performance and reliability enables the delivery and ensures the quality of distance learning courses that help meet local K-12 graduation requirements and Missouri college and university entrance requirements. These educational resources are particularly important for students who may not have access to classes or facilities any other way due to illness, disabilities, rural locations, under-resourced school districts, etc.

Positive Results – Video Equipment

- Upgraded video equipment will promote the continued provision of high-quality and reliable video services for the support of a multitude of distance learning, for-credit classes that help Missouri students meet graduation requirements, including college and university entrance requirements.
- A video equipment upgrade will allow MOREnet to offer high-definition video services that allow for a higher-quality video experience and enable new applications of videoconferencing technologies.
- A video equipment upgrade will address redundancy and fail-over needs, supporting business continuity requirements, and enabling a more reliable videoconferencing service.
- An improved video service will continue to support members who use videoconferencing for administrative meetings to avoid travel time and expenses.

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

MISSOURI TELEHEALTH NETWORK

	<u>FY2008 Actual *</u>	<u>FY2009 Actual</u>	<u>FY2010 Planned & FY2011 Core</u>	<u>Restoration of the Core</u>	<u>Increase for Sustaining Quality & Service</u>	<u>FY2011 Request</u>
EXPENDITURES:						
Program Operations	\$407,400	\$824,670	\$815,640	\$42,000	\$34,257	\$891,897
Total Expenditures	<u>\$407,400</u>	<u>\$824,670</u>	<u>\$815,640</u>	<u>\$42,000</u>	<u>\$34,257</u>	<u>\$891,897</u>
FTE Employees	4.4	4.5	7.1	1.0		8.1
SOURCES OF FUNDS:						
State Appropriations						
Recurring - GR	\$407,400	\$387,030	\$378,000	\$42,000	\$15,876	\$435,876
Recurring - Healthy Families Trust		437,640	437,640	0	18,381	456,021
Total State Appropriations	<u>\$407,400</u>	<u>\$824,670</u>	<u>\$815,640</u>	<u>\$42,000</u>	<u>\$34,257</u>	<u>\$891,897</u>

* FY08 was the first year of recurring funding from General Revenue appropriations.

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

MISSOURI TELEHEALTH NETWORK

	FY2008 Actual		FY2009 Actual		FY2010 Planned & FY2011 Core		Restoration of the Core		Increase for Sustaining Quality & Service	FY2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	Amount	FTE	Amount
PERSONAL SERVICES:											
Teaching & Research	0.2	\$45,955	0.2	\$51,637	0.2	\$52,138			\$2,086	0.2	\$54,224
Exec., Admin., Managerial	1.1	70,058	0.5	37,907	0.7	61,053			\$2,442	0.7	63,495
Professional	1.2	59,662	1.2	43,868	2.2	97,760			\$3,911	2.2	101,671
Technical	0.4	13,806	0.6	20,800	1.6	80,400	1.0	34,200	\$3,216	2.6	117,816
Office	1.5	41,674	2.0	60,400	2.4	82,060			\$3,283	2.4	85,343
Other				30,000		30,000			\$1,200	0.0	31,200
Staff Benefits		53,310		48,344		84,115		7,800	\$3,365		95,280
Total Personal Services	4.4	\$284,465	4.5	\$292,956	7.1	\$487,526	1.0	\$42,000	\$19,503	8.1	\$549,029
EXPENSE AND EQUIPMENT:											
Equipment		\$73,750		\$156,420		\$42,000			\$10,650		\$52,650
All Other		49,185		375,294		286,114		0	4,104		290,218
Total Expense & Equipment		\$122,935		\$531,714		\$328,114		\$0	\$14,754		\$342,868
Grand Total	4.4	\$407,400	4.5	\$824,670	7.1	\$815,640	1.0	\$42,000	\$34,257	8.1	\$891,897

* FY08 was the first year of recurring funding from General Revenue appropriations.

CORE BUDGET REQUEST ANALYSIS

FORM 4

MISSOURI TELEHEALTH NETWORK

I. MISSION STATEMENT

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

II. PROGRAM DESCRIPTION

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

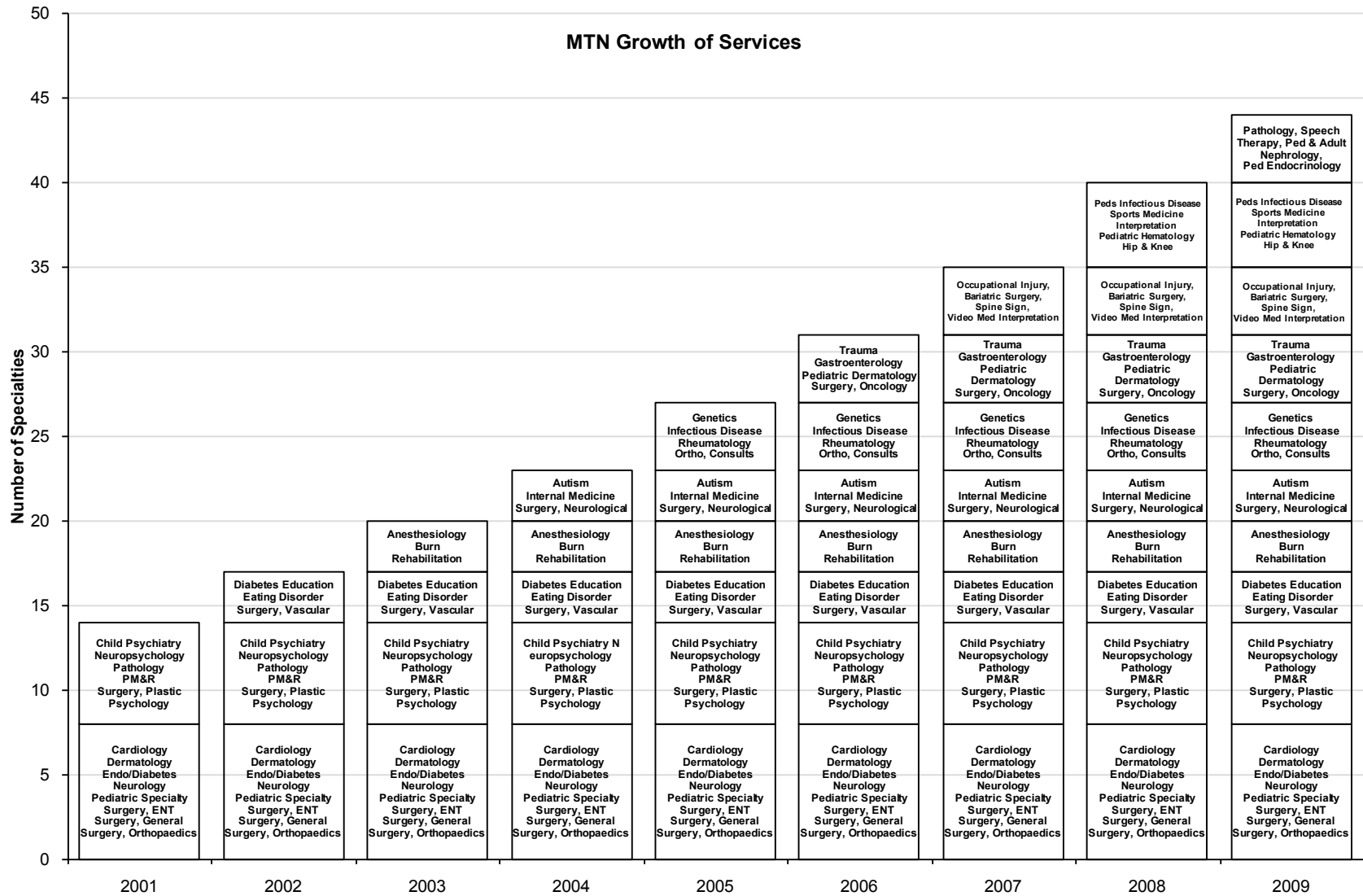
The project has four major objectives: 1) to provide high quality specialty care in rural or other underserved communities through the use of digital telecommunications technology; 2) to be available for biological attack preparedness and response; 3) to provide continuing medical education (CME) required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

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

Continuing education is critically important to doctors in rural and underserved communities. First and foremost, they are required to have 25 hours of Category 1 CME credit per year in order to maintain their medical license. These requirements mean that doctors have to leave the communities, where they are needed on a daily basis, in order to attend programs that will grant them CME hours. If these doctors have access to continuing education through telehealth, they can receive additional training about issues or topics relative to their communities without leaving the community, or the patients in need. This is particularly important because often they are the only healthcare providers in the area. Over 300 continuing medical education credits were granted to health professionals on the network in FY2009.

The Missouri Telehealth Network currently has 150 sites statewide in 47 counties and the City of St. Louis. In 2008, providers in 20 medical specialties, conducted more than 4,000 clinical encounters via telehealth. Missouri Telehealth Network sites include hospitals, federally qualified health centers, rural health clinics, community mental health clinics, a state habilitation center, an army hospital, two schools of medicine, a school of nursing, the Missouri Department of Health and Senior Services and many other types of health care facilities.

The following chart shows growth in specialty services provided by the Missouri Telehealth Network prior to receiving recurring appropriations in FY2008 and the five new services that were added in FY2009, speech therapy, pediatric and adult nephrology, pathology and pediatric endocrinology. The growth in specialty services is important to meet the needs of rural and underserved Missouri citizens who do not have access to these services through conventional delivery systems.



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

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

III. PERFORMANCE AND ACTIVITY MEASURES

The following are examples of cost saving measures for MTN:

Telehealth reduces the need to travel for patients in state facilities. When telehealth is used, rural labs, radiology departments and pharmacies benefit because the specialists at the University utilize those services at the patient's location. Patient and family members also benefit through reduced travel costs and time away from work or school. Such efficiencies keep monies in the local (rural) area. One example is the reduced staff and transportation costs at the Marshall Habilitation Center (MHC) in Marshall, Missouri. It is estimated that each transport to MU from MHC costs the state funded MHC more than \$500 per patient. Since equipment was placed at MHC in 2004, 706 trips have been avoided, resulting in an annual savings of approximately \$60,000 to Missouri taxpayers. Savings are significant, but equally important is the improved quality of care as a result of the direct contact between the physician and the patient's care providers at the time of the visit. Similar potential for savings exists at other state funded sites. Fulton State Hospital now uses telehealth to avoid transporting patients.

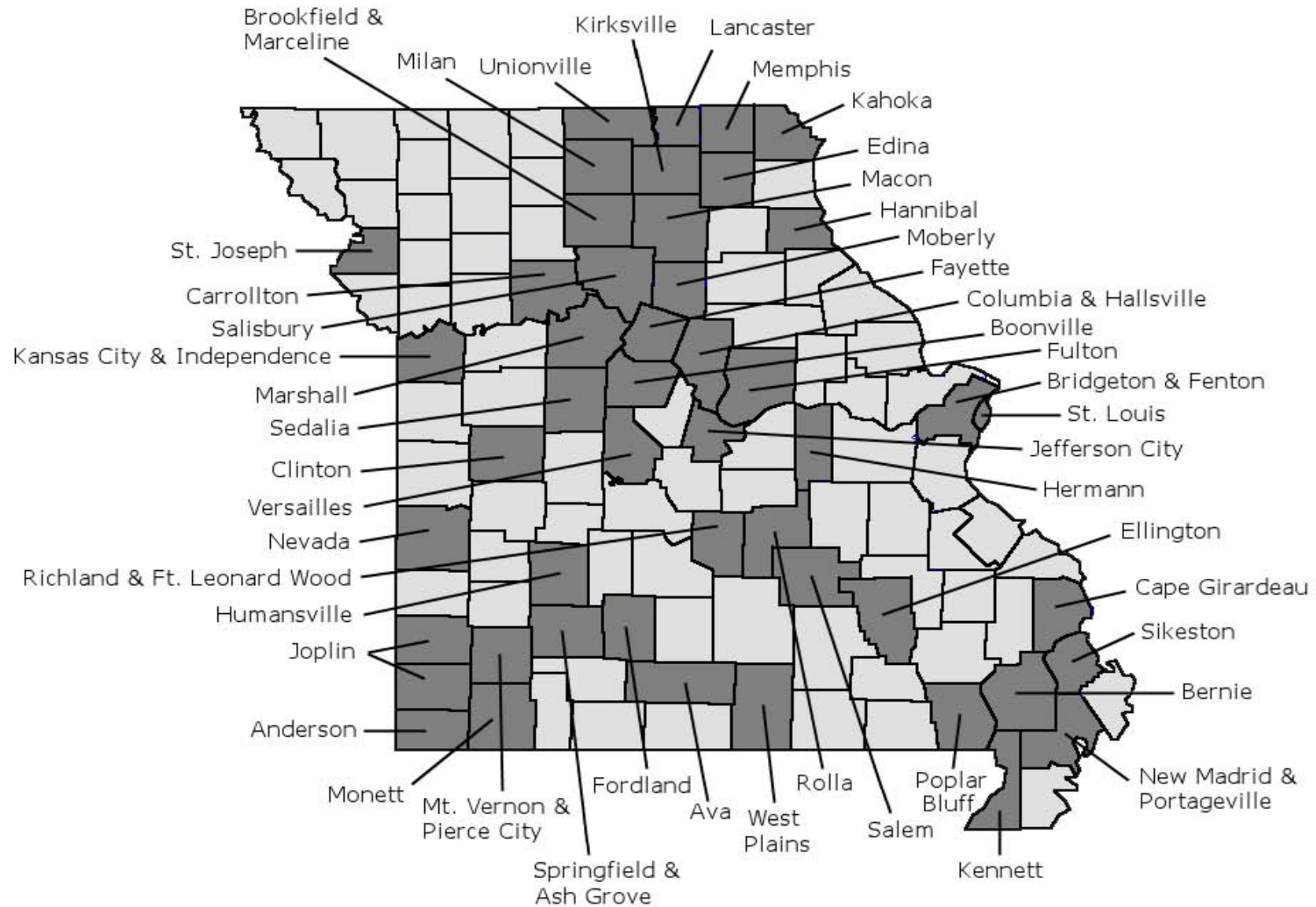
Under a pilot program with Medicaid between September 2004 and June 2005 it is estimated that MTN saved the Medicaid program \$29,000 in transportation charges on 116 cases in 20 Missouri counties. This is calculated by using the rounded average cost of transportation (\$250) per Medicaid patient multiplied by the 116 cases. A proportionally larger recurring savings potential exists with the full implementation of Medicaid's expansion of eligible services.

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

The Missouri Department of Health and Senior Services provided five different educational seminars in which a total of 67 telehealth sites signed up for participation. The topics included Mass Casualty Management, Psychological Consequences of Terrorism, Dirty Bombs, Pulmonary Agents and ESSENCE.

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

Missouri Telehealth Network Site Map



PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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

1. What does this program do?

The Missouri Telehealth Network (MTN) exists:

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

The Missouri Telehealth Network currently has 150 sites statewide in 47 counties and the City of St. Louis. In 2008, providers in 20 different specialties conducted more than 4,000 clinical encounters via telehealth. Missouri Telehealth Network sites include hospitals, federally qualified health centers, rural health clinics, community mental health clinics, a state habilitation center, an army hospital, two schools of medicine, a school of nursing, the Missouri Department of Health and Senior Services and many other types of health care facilities.

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

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

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

No federal matching requirements.

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

This is not a federally mandated program.

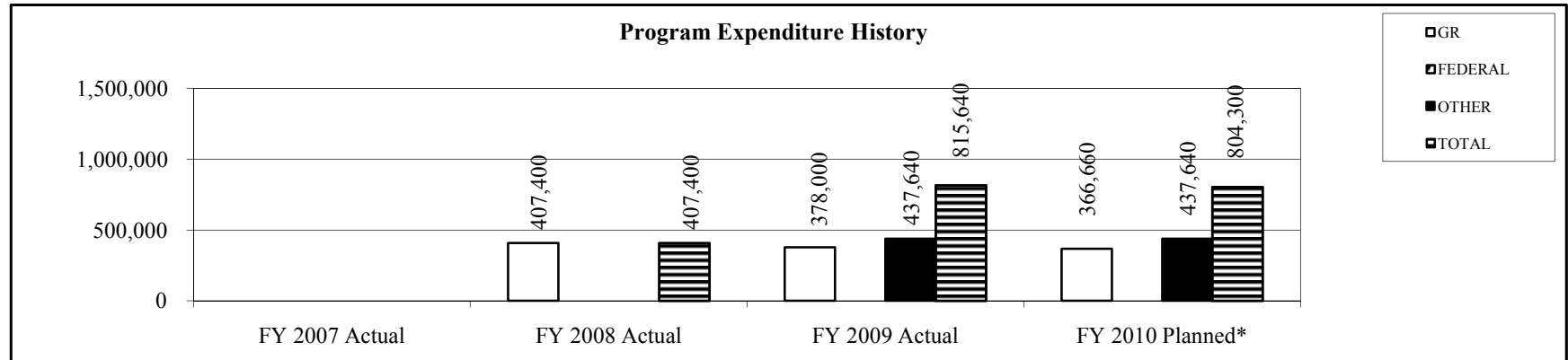
PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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

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



* Net of Governor's 3% Withholding

FY2008 is the first year of recurring General Revenue base funding. Appropriations in prior years were one-time in nature.

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

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

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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

7a. Provide an effectiveness measure.

Data from payor sources was collected to reveal that utilization of telehealth saved Missourians significant travel time and dollars. In 2008, nearly 1,700 round trips from rural areas of Missouri to specialists' clinics in Columbia and Kirksville were avoided resulting in saved fuel costs of over \$293,000. The average savings per trip was \$175. (These calculations use the average of the two federal mileage reimbursement rates for 2008 - 54.5¢ per mile.) Over 538,000 miles of travel were avoided because of the availability of telehealth to these rural communities.

	MO HealthNet Patients	All Patients
Number of Trips Avoided	939	1,677
Number of Miles Avoided	301,419	538,317
Total Dollars Saved	\$164,273	\$293,383

PROGRAM DESCRIPTION

Department of Higher Education

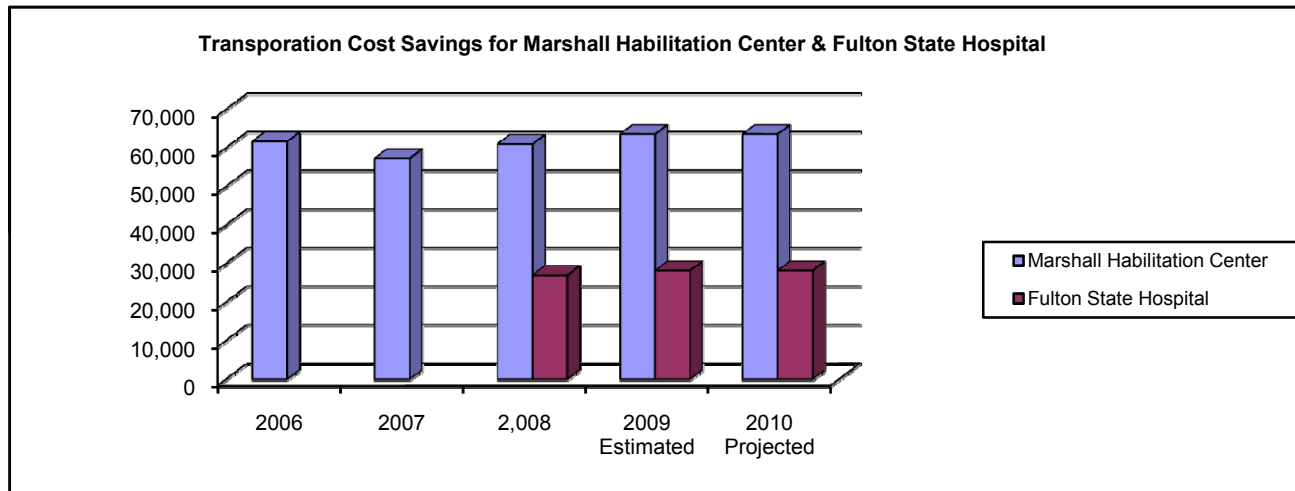
Program Name: Division of Four-year Colleges and Universities

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

7b. Provide an efficiency measure.

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

When telehealth is used, rural labs, radiology departments and pharmacies benefit because the specialists at the University utilize those services at the patient's location. Patient and family members also benefit through reduced travel costs and time away from work or school. Such efficiencies keep monies in the local (rural) area. One example is the reduced staff and transportation costs at the Marshall Habilitation Center (MHC) in Marshall, Missouri. It is estimated that each transport to MU from MHC costs the state funded MHC more than \$500 per patient. Since equipment was placed at MHC in 2004, 706 trips have been avoided, resulting in an annual savings of approximately \$60,000 to Missouri taxpayers. Savings are significant, but equally important is the improved quality of care as a result of the direct contact between the physician and the patient's care providers at the time of the visit. Similar potential for savings exists at other state funded sites. Fulton State Hospital now uses telehealth to avoid transporting patients and is saving over \$25,000 annually.



PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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

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

Number of clients receiving telehealth services

<u>Year</u>	<u>Number</u>
2007 Actual	2,892
2008 Actual	3,660
2009 Estimated	4,000
2010 Projected	4,400

Number of providers receiving Continuing Medical Education

<u>Year</u>	<u>Number</u>
2007 Actual	175
2008 Actual	286
2009 Estimated	582
2010 Projected	700

Number of clients receiving teleradiology services

<u>Year</u>	<u>Number</u>
2007 Actual	13,129
2008 Actual	13,130
2009 Estimated	14,000
2010 Projected	15,000

PROGRAM DESCRIPTION

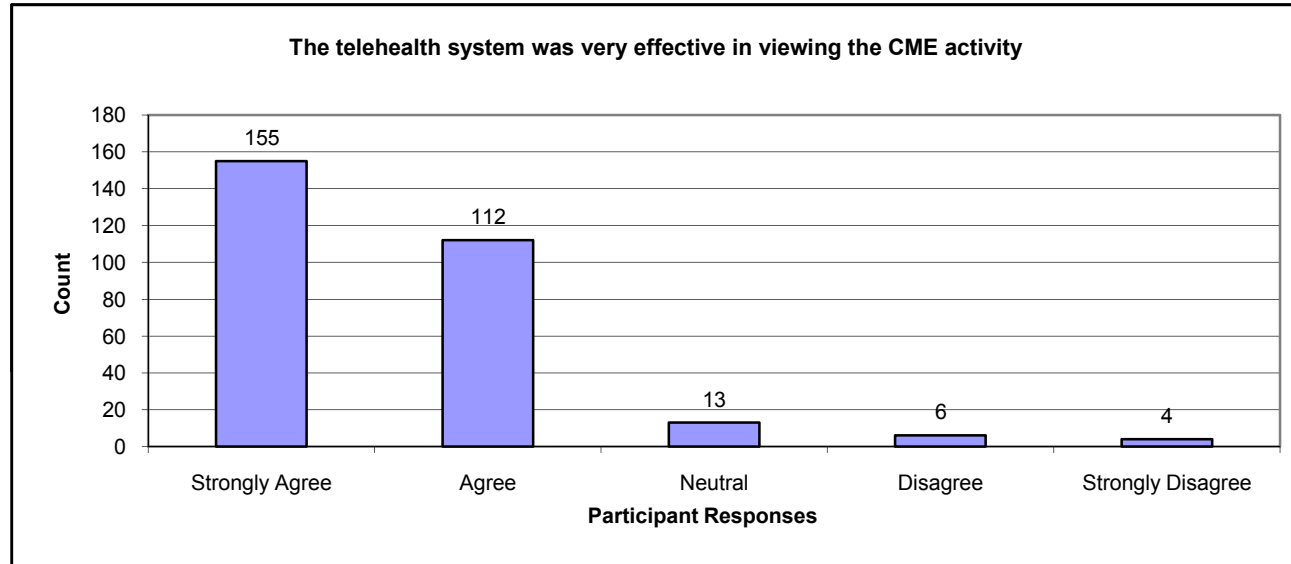
Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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

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

Satisfaction data was collected on Continuing Medical Education (CME) activities that were viewed utilizing the telehealth equipment. During FY2009, 293 CME activities were broadcast via telehealth to 582 professionals, ranging from physicians and nurse practitioners to community support specialists, social workers and public health staff. The chart below represents the satisfaction of the professionals who utilized the telehealth equipment to participate in the CME activities.



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

NEW DECISION ITEM REQUEST

UNRESTRICTED EDUCATIONAL AND GENERAL FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 Missouri Telehealth Network
Decision Item Name: Restoration of the Core: \$42,000
Decision Item Rank: 1 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to appropriate funding levels.

II. DESCRIPTION

This request includes restoration of the \$42,000 core cut to the budget in FY2010. This request only includes the state funds cut from the core appropriation. The core reduction has a significant impact to the services provided by this still new and growing program. External funding is being received to add new network sites but the reduction has required the elimination of a technical position. This position would allow us to bring on the new and expanded sites more quickly so that timely and cost effective health care can be provided to citizens of Missouri.

III. COST EXPLANATION

Restoration of the Core funding cut FY2010	\$42,000
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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: \$34,257
Decision Item Rank: 2 of 2

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The Missouri Telehealth Network (MTN) plays a vital role in Missouri's health care system. It increases access to health care for underserved Missourians; provides specialty care to Missourians in state facilities, i.e. Marshall Habilitation Center and Fulton State Hospital; furthers homeland security efforts related to bioterrorism, disaster, and pandemic preparedness and response; serves as a resource (consultant) for health care institutions and providers who are embarking upon their own telehealth program; provides a mechanism for clinical research and provides continuing educational opportunities for health care providers. In fall 2009, MTN will fully implement a 2 gigabyte dedicated healthcare backbone on the MOREnet network. This backbone has the capacity to provide a conduit for the secure exchange of electronic health information.

II. DESCRIPTION

The Missouri Telehealth Network currently has 150 sites statewide in 47 counties and the City of St. Louis. In 2008 providers in more than 20 medical specialties conducted over 4,000 encounters over video. Missouri Telehealth Network sites include hospitals, federally qualified health centers, rural health clinics, community mental health clinics, a state habilitation center, 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.

MTN will use this core funding for vital staffing, 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.

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

III. COST EXPLANATION

Total Increase for Sustaining Quality and Service	\$34,257
State Appropriations @ 4.2 percent	\$34,257

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: University of Missouri Alzheimer's Program

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

1. What does this program do?

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

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

Section 172.800 - 172.807, RSMo

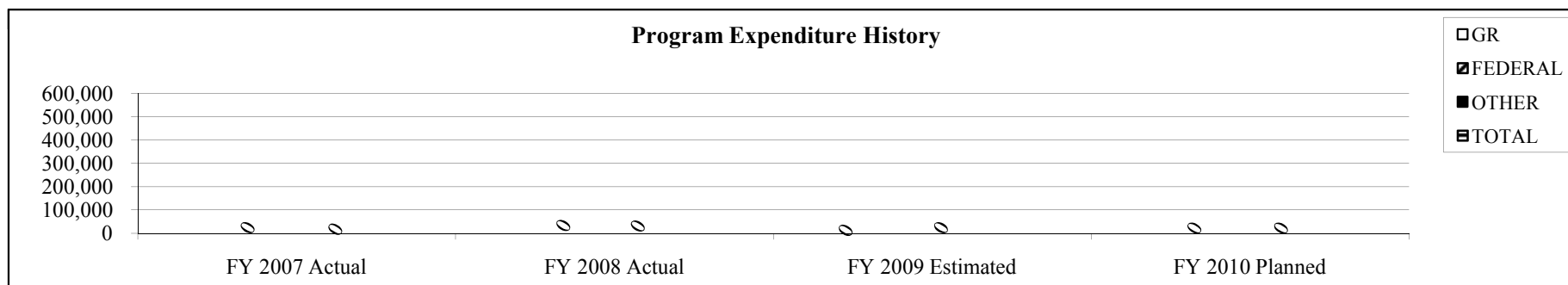
3. Are there federal matching requirements? If yes, please explain.

No

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

No

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



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

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

N/A

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: University of Missouri Alzheimer's Program

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

7a. Provide an effectiveness measure.

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

7b. Provide an efficiency measure.

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

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

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

N/A

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

N/A

NEW DECISION ITEM REQUEST

ALZHEIMER'S PROGRAM FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri System
Level 3 Other Curator Programs
Decision Item Name: Alzheimer's Program: \$436,700
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

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

II. DESCRIPTION

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

III. REQUESTED AMOUNT

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

The request for FY2011 is \$436,700 based on \$200,000 and a projected Consumer Price Index of 198.5. The request for research funds is \$397,000, and the request for administrative funds is \$39,700, 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

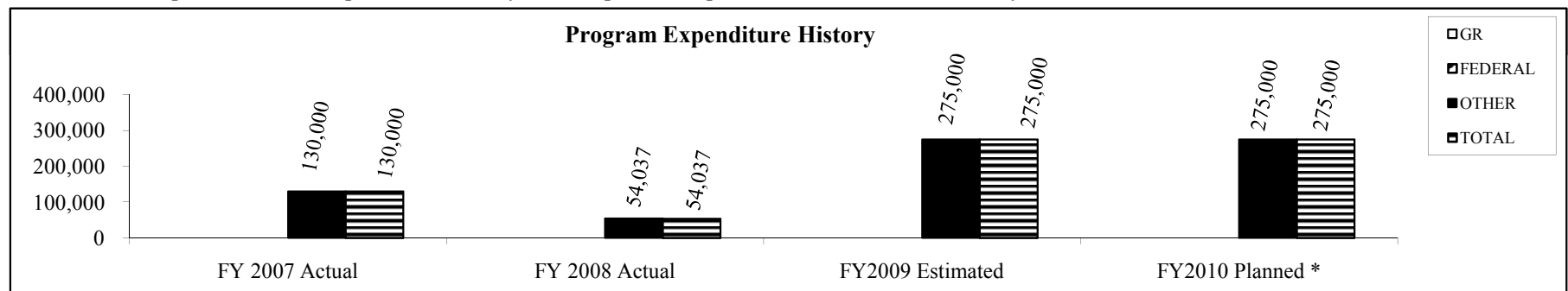
3. Are there federal matching requirements? If yes, please explain.

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.



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

Spinal Cord Injury Fund (0578)

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Spinal Cord Injury

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

7a. Provide an effectiveness measure.

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

Proposals received vs proposals awarded

FY 07		FY 08		FY 09		FY 10		FY 11		FY 12	
<u>Received</u>	<u>Awarded</u>	<u>Received</u>	<u>Awarded</u>	<u>Proj Rec'd</u>	<u>Awarded</u>	<u>Proj Rec'd</u>	<u>Proj Award</u>	<u>Proj Rec'd</u>	<u>Proj Award</u>	<u>Proj Rec'd</u>	<u>Proj Award</u>
4	3	4	1	5	4	7	5	7	5	7	5

7b. Provide an efficiency measure.

The program did not award any research funds until FY04. In FY04 the Board reviewed and awarded 2 projects. Project amounts may not exceed \$50,000 per year.

Average award per proposal

FY 07		FY 08		FY 09		FY 10		FY 11		FY 12	
Total Award **	Avg Award	Total Award	Avg Award	Total Award	Avg Award	Total Award	Avg Award	Total Award	Avg Award	Total Award	Avg Award
<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
\$150,000	\$50,000	\$47,318	\$47,318	\$181,451	\$45,363	\$250,000	\$50,000	\$250,000	\$50,000	\$250,000	\$50,000

** Due to a Principal Investigator leaving a partial award of \$25,701 had to be returned from FY2007 appropriation.

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: \$400,000
Decision Item Rank: 1 of 1

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The Spinal Cord Injury Fund, established by HB 302 and passed in 2001, provides support for research projects in Missouri that promote and advance knowledge 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 259,000 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 (42 percent), falls (27 percent), violence (15 percent), or sports injuries (7 percent).

II. DESCRIPTION

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

III. REQUESTED AMOUNT

House Bill 218, passed in 2001, stipulates that the Board of Curators shall request annually an appropriation for research awards from the Spinal Cord Injury Fund. The request for FY2011 is \$400,000. The request is composed of \$360,000 for research funds and \$40,000 for administrative funds.

IV. EVALUATION OF OUTCOMES

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

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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

1. What does this program do?

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

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

Section 172.610, RSMo

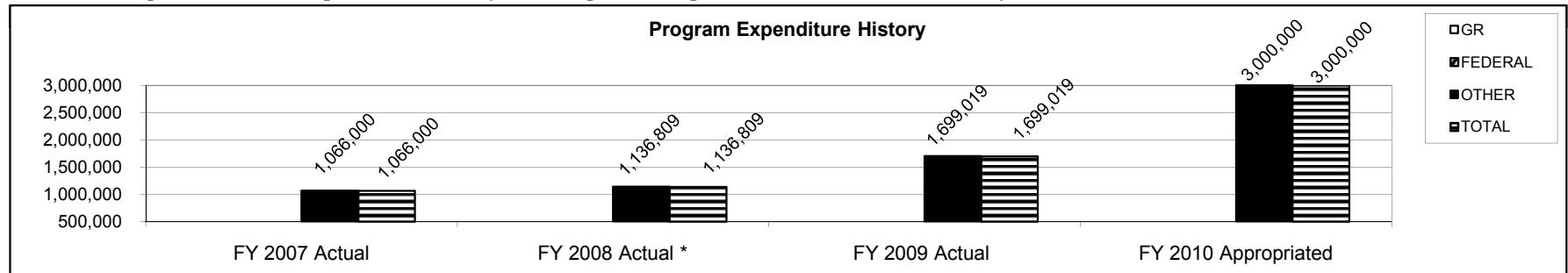
3. Are there federal matching requirements? If yes, please explain.

No

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

No

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



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

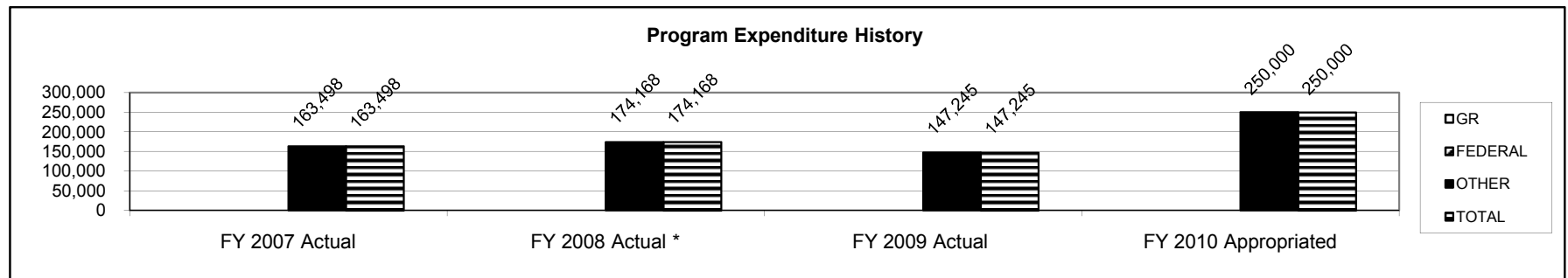
* The purchase was made in FY2008 but the cash was received in FY2009.

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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



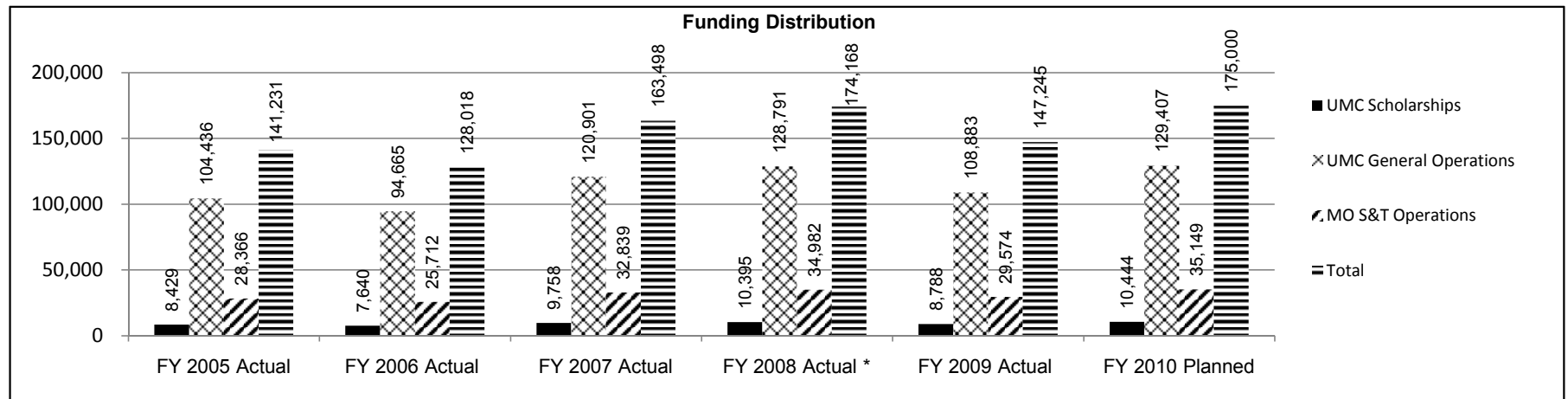
The expenditures in the graph above represent interest from investments made by the university. The interest is used to fund operations at University of Missouri-Columbia (UMC) and Missouri University of Science and Technology (MO S&T) campuses and to fund some scholarships.

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

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

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

7a. Provide an effectiveness measure.



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

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: \$3,275,000
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 FY2011 the university is requesting \$3,000,000 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.

	<u>FY2009 Appropriation</u>	<u>FY2010 Appropriation</u>	<u>FY2011 Request</u>
To Cover Investment in Government Securities	\$3,000,000	\$3,000,000	\$3,000,000
To Cover Investment Earnings from Principal Held in the Seminary Fund	\$250,000	\$250,000	\$275,000

PROGRAM EXPENDITURES AND REVENUE SUMMARY

FORM 1

State Historical Society of Missouri

	FY2008 Actual	FY2009 Actual	FY2010 Planned & FY2011 Core	Restoration of the Core	Increase for Sustaining Quality & Service	Increase for Enhancing Missouri's Future *	FY2011 Request
EXPENDITURES:							
Program Operations	\$1,473,974	\$1,492,425	\$1,413,877	\$161,956	\$61,219	\$474,600	\$2,111,652
Total Expenditures	<u>\$1,473,974</u>	<u>\$1,492,425</u>	<u>\$1,413,877</u>	<u>\$161,956</u>	<u>\$61,219</u>	<u>\$474,600</u>	<u>\$2,111,652</u>
FTE Employees	25.2	26.5	25.0	1.8		4.0	30.8
SOURCES OF FUNDS:							
State Appropriations	\$1,473,974	\$1,492,425	\$1,457,605	\$161,956	\$61,219	\$474,600	\$2,155,380
Total Sources	<u>\$1,473,974</u>	<u>\$1,492,425</u>	<u>\$1,457,605</u>	<u>\$161,956</u>	<u>\$61,219</u>	<u>\$474,600</u>	<u>\$2,155,380</u>

* This request for new funding is comprised of multiple Form 5's.

PERSONAL SERVICES AND EXPENSE AND EQUIPMENT DETAIL

FORM 3

State Historical Society of Missouri

	<u>FY2008 Actual</u>		<u>FY2009 Actual</u>		<u>FY2010 Planned & FY2011 Core</u>		<u>Restoration of the Core</u>		<u>Increase for Sustaining Quality & Service</u>	<u>Increase for Enhancing Missouri's Future *</u>		<u>FY2011 Request</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
PERSONAL SERVICES:													
Teaching and Research	0.7	\$82,244	1.0	\$78,788	1.0	\$78,788			\$3,152	1.0	\$40,233	2.0	\$122,173
Exec., Admin., Managerial	1.0	68,978	1.0	72,979	1.0	72,979			2,919			1.0	75,898
Professional	18.0	582,681	19.0	686,950	18.0	664,513	1.0	37,000	26,581	3.0	230,699	22.0	958,793
Technical													
Office	4.0	113,274	4.0	119,018	4.0	118,268			4,731			4.0	122,999
Service	0.7	16,990	1.0	21,361	1.0	21,250			850			1.0	22,100
Student	0.8	20,474	0.5	9,250	0.0		0.8	22,474	0			0.8	22,474
Staff Benefits		257,416		277,007		284,541		12,644	11,382		46,668		355,235
Total Personal Services	25.2	\$1,142,057	26.5	\$1,265,353	25.0	\$1,240,339	1.8	\$72,118	\$49,615	4.0	\$317,600	30.8	\$1,679,672
EXPENSE AND EQUIPMENT:													
Library Acquisitions													
Withholding Reserve													
All Other		\$331,917		\$227,072		\$217,266		\$89,838	\$11,604		\$157,000		\$475,708
Total Expense & Equip.		\$331,917		\$227,072		\$217,266		\$89,838	\$11,604		\$157,000		\$475,708
Grand Total	25.2	\$1,473,974	26.5	\$1,492,425	25.0	\$1,457,605	1.8	\$161,956	\$61,219	4.0	\$474,600	30.8	\$2,155,380

* This request for new funding is comprised of multiple Form 5's.

**CORE BUDGET REQUEST ANALYSIS
FORM 4**

STATE HISTORICAL SOCIETY OF MISSOURI

I. MISSION STATEMENT

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

II. PROGRAM DESCRIPTION

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

III. PERFORMANCE AND ACTIVITY MEASURES

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
Patrons Assisted in Society Quarters	11,469	12,157	12,886
Research Contacts (letters, fax, e-mail, phone)	6,248	6,310	6,373
Administrative & Business Contacts (letters, fax, e-mail, phone)	14,301	14,444	14,588
In-house Tours Given	49	50	51
Web Site Visitors	216,073	252,805	295,782
Public Programs (inhouse)	19	20	21
Staff Outreach Events (off-site)	56	57	58
Speakers' Bureau Presentations	81	82	83

III. PERFORMANCE AND ACTIVITY MEASURES (Continued)

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
Speakers' Bureau Audience	2,861	2,890	2,919
Students Participating in History Day program	2,600	2,834	3,089
Books Used	23,049	23,279	23,511
Indexes and Printed Newspapers Used	374	378	382
Microfilm Used	40,000	40,400	40,804
Photographic Requests Filled for Patrons	127	128	129
Photographic Reproductions made for Patrons	331	334	337
Interlibrary Loan Requests Filled	1,233	1,245	1,257
Reels of Microfilm Sent on Interlibrary Loan	1,543	1,558	1,574
Copies of <i>Missouri Historical Review</i> Printed	21,650	21,867	22,086
Exhibits and Displays Produced	14	15	16
Membership Records Maintained	5,061	5,111	5,162

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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

1. What does this program do?

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

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

Section 183.010 - 183.030, RSMo

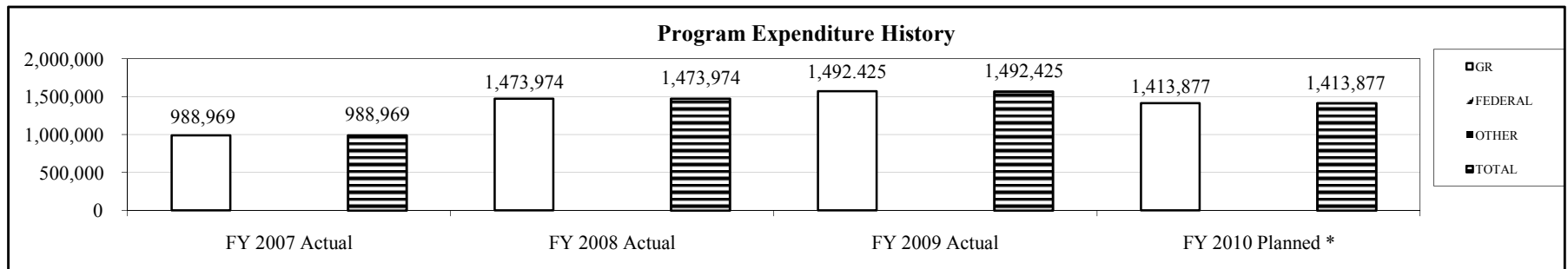
3. Are there federal matching requirements? If yes, please explain.

No

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

No

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



*Net of Governor's 3% Withholding

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

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

PROGRAM DESCRIPTION

Department of Higher Education

Program Name: Division of Four-year Colleges and Universities

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

7a. Provide an effectiveness measure.

How many individuals use society resources on-site?

FY2007 Projected	FY2007 Actual	FY2008 Projected	FY2008 Actual	FY2009 Projected	FY2009 Actual	FY2010 Target	FY2011 Target	FY2012 Target
14,381	11,536	11,651	10,752	10,860	11,469	12,157	12,886	13,659

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

FY2007 Projected	FY2007 Actual	FY2008 Projected	FY2008 Actual	FY2009 Projected	FY2009 Actual	FY2010 Target	FY2011 Target	FY2012 Target
21,388	18,568	18,754	22,403	22,627	20,549	20,754	20,962	21,172

7b. Provide an efficiency measure.

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

FY2007 Projected	FY2007 Actual	FY2008 Projected	FY2008 Actual	FY2009 Projected	FY2009 Actual	FY2010 Target	FY2011 Target	FY2012 Target
1,598	1,442	1,295	1,195	1,207	1,349	1,520	1,611	1,707

What is the average number of on-site researchers and visitors and off-site contacts handled by each full-time staff member (includes website visitors)?

FY2007 Projected	FY2007 Actual	FY2008 Projected	FY2008 Actual	FY2009 Projected	FY2009 Actual	FY2010 Target	FY2011 Target	FY2012 Target
4,990	11,437	9,819	11,274	11,838	13,003	14,303	15,733	17,306

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

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

FY2007 Projected	FY2007 Actual	FY2008 Projected	FY2008 Actual	FY2009 Projected	FY2009 Actual	FY2010 Target	FY2011 Target	FY2012 Target
79,839	198,405	200,389	225,484	236,758	253,552	281,443	312,402	346,766

NEW DECISION ITEM REQUEST

STATE HISTORICAL SOCIETY OF MISSOURI FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 State Historical Society of Missouri
Decision Item Name: Restoration of the Core: \$161,956
Decision Item Rank: 1 of 4

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

This request is for state funds to restore the core budget to appropriate funding levels.

II. DESCRIPTION

This includes restoration of the \$161,956 core cut to the budget in FY2010. This request only includes the state funds cut from the core appropriation. The State Historical Society of Missouri exists to collect, preserve, make accessible, and publish materials pertaining to the history of the state, Middle West, and the West. The core reduction of 10 percent has a significant impact to the services provided. It has required the elimination of staff that has resulted in a further backlog of preserving, digitizing and making accessible to patrons and researchers our newspaper library; as well as reduced the ability to catalog, process and make available other historical materials. The current backlog of microfilming is up to 2 years and growing on our regular submissions not counting the ability to keep up with any donations of rare collections. The delay in getting newspaper collections microfilmed severely restricts providing our services in a newer format for new patrons and those existing patrons that might be restricted in access by their location. Elimination of the student worker program has not only impacted the educational benefits for those students but reduced research opportunities and service to patrons. Reduction in staff size has also created a decline in customer service to patrons meaning additional wait times and inability to fill patron requests in a timely manner. The support that the society has been able to provide in coordination with Missouri schools for the National History Day in Missouri will be severely curtailed which limits this very important educational opportunity. The return of the state funding will allow us to restore service in these mission critical areas.

III. COST EXPLANATION

Restoration of the Core funding cut FY2010	\$161,956
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NEW DECISION ITEM REQUEST

STATE HISTORICAL SOCIETY OF MISSOURI FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 State Historical Society of Missouri
Decision Item Name: Increase for Sustaining Quality and Service: \$61,219
Decision Item Rank: 2 of 4

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The State Historical Society of Missouri is directed by statute to collect, preserve, make accessible, and publish materials pertaining to the history of Missouri and western America. The society has worked hard to contain costs and reduce expenses through administrative efficiencies and innovation. While the society had additions to its core budget in recent years, it had a 10 percent core reduction in FY2010. In addition, the society continues to struggle to overcome historical underfunding. Salaries of society staff members remain significantly below those of similarly-trained individuals in similar jobs at the University of Missouri and state government. Likewise, the number of staff positions available to the society remains below the number needed for the society to adequately fulfill its statutory mission. In addition, costs continue to increase, hindering the ability of staff to effectively meet the overall mission of the society.

II. DESCRIPTION

State Historical Society of Missouri continues to incur higher costs to deliver its services to the public in spite of efforts to be more efficient and control costs. There are fixed cost increases associated with insurance, library materials, information technology equipment, and supplies and services. Lack of additional funding limits the ability of the State Historical Society of Missouri to sustain the quality and level of its services, much less expand its services for the citizens of Missouri.

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

III. COST EXPLANATION

Increase for Sustaining Quality and Service	\$61,219
State Appropriations @ 4.2 percent	\$61,219

NEW DECISION ITEM REQUEST

STATE HISTORICAL SOCIETY OF MISSOURI FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 State Historical Society of Missouri
Decision Item Name: Increase to Address Historical Underfunding of the State Historical Society: \$205,000
Decision Item Rank: 3 of 4

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The State Historical Society of Missouri is directed by statute to collect, preserve, make accessible, and publish materials pertaining to the history of Missouri and western America. The society has worked hard to contain costs and reduce expenses through administrative efficiencies and innovation. Although a significant addition to its core budget in FY2008 began the process of addressing the issue of historic underfunding, a withholding in FY2009 and cut in FY2010 promise to undo any progress previously made.

II. DESCRIPTION

Staff Salary Equity

Salaries of society staff members remain significantly below those of similarly-trained individuals in similar jobs at the University of Missouri and state government. To address this issue, the society requests \$110,000 increase to the core salary and benefits for State Historical Society of Missouri employees. This is the third year of a three-year effort.

History Day Support

The society requests \$10,000 to fund five regional National History Day workshops in different parts of the state. Teachers and students from grades 6-12 will be invited to these society-hosted workshops where strategies for conceptualizing and completing National History Day projects will be discussed. The cost of travel and honoraria for presenters and duplication of curricular materials will be \$2,000 per workshop. The total cost of presenting five workshops is estimated at \$10,000.

Travel and Postage

Historical underfunding of the society has resulted in a reduction in travel for outreach purposes. This threatens the society's ability to fulfill its mission. The request of \$10,000 for travel funds will allow SHS staff members to travel more extensively throughout the state, taking programs and services to local historical and genealogical groups, as well as schools and other not-for-profit organizations.

The \$10,000 request for postage will cover recent increases in postage rates, as well as costs related to dramatic increases in the volume of mail sent by the society.

Preservation Filming of Art Work

An increase is needed to begin the systematic preservation filming of more than 12,000 pieces of artwork in the society's art collection. The preservation filming of approximately 50 pieces of artwork annually at \$300 per item requires a \$15,000 increase.

Equipment Purchases and Upgrades

Due to historical underfunding and a dramatic increase in staff and patron usage of online indexes and databases, the society needs additional appropriations to purchase and upgrade equipment. This request of \$50,000 will be used to create a revolving fund to purchase new microfilm reader/printers, computers, printers, scanners and cameras for society staff and patron use.

III. COST EXPLANATION

Salaries Plus Related Benefits	\$110,000
Cost of History Day Workshops	10,000
Travel Allocation Increase	10,000
Postage	10,000
Preservation Filming of Art Work	15,000
Equipment Purchase and Upgrade	<u>50,000</u>
Total from State Appropriations	\$205,000

IV. EVALUATION OF OUTCOMES

The salary and benefit funds will become a permanent part of the core for staff of the State Historical Society of Missouri. At the end of the third year of this effort, society staff members' salaries will be competitive with those persons holding similar positions at the University of Missouri and/or in state government.

History Day funds will become a permanent part of the core budget of the State Historical Society of Missouri. Workshops for teachers and students will be held annually in five different regions of the state.

The expense and equipment funds will become a permanent part of the core of the State Historical Society of Missouri budget, allowing the society to:

- fund its print communication needs.
- travel to meet the needs of its patrons across the state.
- systematically film the society's artwork for preservation and study.
- maintain an inventory of state-of-the-art equipment for society staff and patrons.
- meet the needs requested by society patrons.

NEW DECISION ITEM REQUEST

STATE HISTORICAL SOCIETY OF MISSOURI FORM 5

Department: Higher Education-Unrestricted
Level 2 University of Missouri-Other Programs
Level 3 State Historical Society of Missouri
Decision Item Name: New Staff and Collection Needs: \$269,600
Decision Item Rank: 4 of 4

I. PURPOSE AND CRITERIA FOR INCLUSION IN REQUEST

The State Historical Society of Missouri is directed by statute to collect, preserve, make accessible, and publish materials pertaining to the history of Missouri and western America. The society has worked hard to contain costs and reduce expenses through administrative efficiencies and innovation. The number of staff positions available to the society remains below the number needed for the society to adequately fulfill its statutory mission. In addition, funding is needed to expand the society's research collections.

II. DESCRIPTION

History Day Coordinator

The society requests funding to hire a well-trained, full-time history day coordinator. This person will coordinate and administer The National History Day program in Missouri. The program involves more than 3,000 Missouri students in grades 6-12 from more than 100 schools. Coordination and administration of this program is a year-round activity that involves regional workshops with students and teachers, the development of curriculum materials, and the planning of local, regional and statewide competitions.

Registrar for the Art Collection

The society has a world-class, and growing, collection of more than 12,000 artworks, and there is a need for a full-time registrar to manage records, process loan requests, and handle the growing demand of scholars, students and historians to study the artworks.

Educational Outreach Specialist

The society needs a full-time educational outreach person to assist with the development and administration of an outreach program that includes workshops, electronic teaching aids, a speakers' bureau lecture series, and curricular materials on Missouri history for children and adults.

Research Collections

Additional funds of \$50,000 are needed to purchase copies of primary-source collections pertaining to Missouri history held by the National Archives and other such repositories.

Center for Missouri Studies Fellow

The society needs additional funds for a full-time Missouri history scholar. The Center for Missouri Studies fellow will devote him/herself to researching Missouri history topics and making public presentations and writing articles on Missouri history.

III. COST EXPLANATION

History Day Coordinator Salary Plus Related Benefits	\$ 51,900
Registrar Salary Plus Related Benefits	51,900
Educational Outreach Salary Plus Related Benefits	51,900
Research Collections	50,000
Center of Missouri Studies Fellow Salary Plus Related Benefits	51,900
Expense and Equipment for New Staff @ \$3,000 Each	<u>12,000</u>
Total from State Appropriations	\$ 269,600
 Total Compensation	 \$ 207,600
Total Expense & Equipment	<u>62,000</u>
Total from State Appropriations	\$ 269,600
Total FTE	4

IV. EVALUATION OF OUTCOMES

The salary and benefit funds will become a permanent part of the core for the State Historical Society of Missouri and enable the society to address the following growing needs:

- To facilitate and expand student and teacher participation in National History Day activities and competition.
- To establish and maintain an active and up-to-date inventory of society-owned artwork, to identify artwork conservation needs, and to manage paperwork associated with the acquisition and loan of valuable pieces of artwork.
- To expand the society's public programming and develop Missouri history curricular materials for children, youth, and adults.
- To acquire and make available to researchers the most recently available primary resource material on Missourians and their history.
- To foster primary research on Missouri history and culture and to disseminate research results.