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Missouri State™

U N I V E R S I T Y

August 3, 2012

Missouri Department of Higher Education
c/o Dr. David Russell
Commissioner of Higher Education
Missouri Department of Higher Education
205 Jefferson Street
Jefferson City, MO 65102

Dear Commissioner Russell:

Missouri State University is pleased to submit its Form 5 – Decision Items for our Appropriations Request for Operations for Fiscal Year 2014. In all, there are four decision items requested: equity funding, inflationary funding, funding for a new program in occupational therapy, and maintenance and repair funding. Should funds be available, we are respectfully requesting an appropriation of additional ongoing state revenues totaling \$15,622,214. As you know, we are providing this request in compliance with the policies and practice of the Coordinating Board of Higher Education.

In addition to these Decision Items, we also look forward to working with you, MDHE, CBHE, and the legislative joint committee to develop a funding formula as stipulated by the Missouri General Assembly during the 2012 session. Please let us know how we can be of assistance as this process proceeds.

A summary of the justification for our Decision Items is as follows:

Decision Item 01: Equity Funding

\$5,742,107

Missouri State University has been under-funded for more than three decades – while the University has experienced enrollment growth, especially in its graduate programs. More equitable funding would allow the University to achieve our established goals – as set out in our newly adopted long-range plan.

With 16,295 full time equivalent enrollment (FTE), Missouri State's appropriation per FTE is \$4,537. This is the second lowest and is \$985 per FTE lower than the average of Missouri universities, excluding the University of Missouri System and Missouri State University. To achieve the average funding per FTE, Missouri State University would require an additional \$16,050,693 for our four year and upper level programs. Based upon a comparable increase to meet the needs for our West Plains campus, an additional \$1,175,627 would be required for West Plains. Missouri State University feels the total, \$17,226,320, is a fair representation of the equity funding shortfall for the university. We are requesting this increase in our appropriation in three year installments - \$5,742,107 for the first year.

Decision Item 02: Inflationary Funding

\$1,335,341

In order to continue to be competitive for excellent faculty, staff and students and to maintain the quality of our programs, the University must address the current rising cost of utilities, transportation, employee healthcare and wellness, and other supplies and services necessary for the development of an educated person.

Attracting and retaining outstanding staff is essential to the University's success. Unfunded enrollment growth and chronically low state funding have not allowed salaries to keep pace with competition. The University cannot attract or retain competitive staff without giving salary increases. The amount of increase should be comparable to inflation (1.7%).

In addition, Missouri State University will emphasize student recruitment and retention to ensure student success that will benefit Missouri through a more educated society and productive workforce. Inflationary funding increases will enable Missouri State University to better identify qualified students, assist them as they transition into post-secondary education and provide support throughout their educational experience that will result in successfully completing their educational programs.

Increases in Inflationary Funding will permit Missouri State University to upgrade, expand and maintain laboratory and classroom facilities and technologies that are constantly changing. Tomorrow's leaders need to gain the expertise and experience that better tools and facilities can provide.

The cost of utilities has increased at a rate far greater than the consumer price index. Although the University has invested in energy saving measures through the installation of a chill-loop heating and cooling system and centralized building control thermostats, we should continue to invest in these energy saving measures and position the University for future increases.

Decision Item 03: New Occupational Therapy Program

\$825,000

The need of trained therapists is great, and continues to grow. This shortage is not limited just to the Missouri area. Local hospitals have expressed a strong interest in having an OT program that will provide educated professionals for the needs they must meet.

MSU will develop and implement a two-year, 76 credit hour entry-level M.S. in Occupational Therapy with a 48 student capacity (24 per cohort). Offering this degree aligns with goals of MSU's prior and current long-range planning that calls for providing health-care education programs, and it fits the state of Missouri's goal to increase the number of degrees granted in critical disciplines of workforce need.

Decision Item 04: Maintenance & Repair Funding

\$7,719,766

The University's backlog of maintenance and repairs continues to grow faster than the available resources. At the end of fiscal year 2012, the backlog in maintenance and repair stood at \$97 million. The accepted industry standard for annual maintenance and repair expenditures is 2 to 4 percent of the base construction replacement value (BCRV). The 1.5% used for this request was recommended by the Missouri Department of Higher Education.

Progress in addressing the backlog in maintenance and repair of the physical plant was achieved in the late 1990s; however, the fiscal realities of 2002-04 demanded an internal reallocation of \$4 million that had been dedicated to facility maintenance. Since that time, University maintenance and repair resources have been insufficient to accomplish little more than the correction of some life safety, accessibility and critical operational deficiencies. The amount requested is based on 1.5% of the replacement value of the University's academic buildings which is \$514,651,098.

Each of our requests contains a basis of support, documentation and calculations. We believe our request is reasonable and reflects a commitment necessary to improve and advance the State of Missouri by developing educated persons.

**UNRESTRICTED EDUCATION AND GENERAL
NEW DECISION ITEM REQUEST
FORM 5**

Department: Higher Education
Level 2: Missouri State University System
Level 3: Springfield, West Plains and Mountain Grove Campuses
Decision Item Name: Equity Funding
Decision Item Rank: 01

I. Purpose and Criteria for Inclusion in Request

Should funds become available from the development of a funding formula as stipulated by the Missouri General Assembly during the 2012 session, Missouri State University respectfully requests a \$5,742,107 increase in its appropriation from the State of Missouri as the first of three equal installments – for a total of \$17,226,320 – to fund current equity funding shortfall based upon full time equivalent enrollment to the fiscal year 2013 appropriation.

II. Description

By any measures, Missouri State University has been under-funded for more than three decades. When funding is compared to the University's enrollment growth, including its substantial growth in graduate programs and enrollment, it is difficult to justify.

Missouri State University's Springfield Campus serves more than 20,800 students from all fifty states and 85 foreign countries. Of the total student enrollment, about 50 percent are from the 24-country southwest Missouri region and more than 85 percent are from the state of Missouri. Missouri State's required undergraduate tuition and fees for Missouri residents are below the average for all Missouri public universities. The Missouri State West Plains Campus serves more than 2,100 students from south central Missouri. The West Plain campus provides education to residents from one of the poorest congressional district in the United States.

For fiscal year 2013, Missouri State University will allocate \$5,414,833 of the university's state appropriation to the West Plain's campus. The West Plains campus does not receive support from sales or property taxes.

Missouri State's appropriation per full time equivalent enrollment available for our four-year and upper level programs is the second lowest in the state. In order to continue to be competitive for excellent faculty, staff and students and to maintain the quality of our programs, we are grateful that the Missouri General Assembly desires to address equity funding for the universities.

III. Cost Explanation

Our intended use of funds is documented in our newly adopted long-range strategic plan and summarized below.

Missouri State University intends to achieve four goals:

- Improving the undergraduate programs across campus through emphasis on student learning outcomes, and elevate multiple programs to “destination program” status.
- Strengthening and expanding focused graduate programs to positively impact the region and state.
- Creating a more diverse student body and workforce.
- Establishing the University as an “employer of choice.”

Missouri State University’s appropriation for fiscal year 2013 is \$79,342,892. The university allocates \$5,414,833 to the West Plains campus. The balance of \$73,928,059 provides support to our four year and upper level programs. With 16,295 full time equivalent enrollment (FTE), Missouri State’s appropriation per FTE is \$4,537. This is the second lowest and is \$985 per FTE lower than the average of Missouri universities, excluding the University of Missouri System and Missouri State University. To achieve the average funding per FTE, Missouri State University would require an additional \$16,050,693 for our four year and upper level programs. Based upon a comparable increase to meet the needs for our West Plains campus, an additional \$1,175,627 would be required for West Plains. Missouri State University feels the total, \$17,226,320, is a fair representation of the equity funding shortfall for the university. Missouri State requests that over a three year period, equity funding be available to bring the university up to the average funding per FTE. The average being defined as all four year universities excluding the University of Missouri System and Missouri State University.

Missouri State University	FTE	FTE	Appropriation	West Plains	Appropriation	Appropriation	Shortfall	Shortfall \$	1/3 of shortfall
Equity Funding Worksheet	2010	2011	2013	Adjustment	2013	Per FTE	Per FTE		

Harris Stowe State University	1,352	1,263	9,588,701		9,588,701	7,592			
Lincoln University	2,471	2,498	17,488,335		17,488,335	7,001			
Truman State University	5,677	5,671	39,919,610		39,919,610	7,040			
University of Central Missouri	9,049	9,279	53,191,410		53,191,410	5,733			
Missouri Southern State University	4,618	4,375	22,912,856		22,912,856	5,237			
Northwest Missouri State University	5,921	5,930	29,695,333		29,695,333	5,007			
Southeast Missouri State University	8,888	9,235	43,772,064		43,772,064	4,740			
Missouri Western State University	4,783	4,830	21,311,937		21,311,937	4,412			
Total	42,759	43,081	237,880,246	-	237,880,246	5,522			

Missouri State University	16,440	16,295	79,342,892	(5,414,833)	73,928,059	4,537	(985)	(16,050,693)	(5,350,231)
Missouri State University-WP	1,551	1,463		5,414,833	5,414,833			(1,175,627)	(391,876)
Total MSU-System	17,991	17,758	79,342,892	0	79,342,892			(17,226,320)	(5,742,107)

IV. Evaluation of Outcomes

Missouri State University has adopted six strategic directions within its long-range plan. They are:

- Access to Success
- Public Affairs Integration
- Engaged Inquiry
- Partners for Progress
- Valuing and Supporting People
- Responsible Stewardship

Each of these strategic directives has established measurable desired objectives and tactics. We will evaluate our success and achievements using the designated criteria.

**UNRESTRICTED EDUCATION AND GENERAL
NEW DECISION ITEM REQUEST
FORM 5**

Department: Higher Education
Level 2: Missouri State University System
Level 3: Springfield, West Plains and Mountain Grove Campuses
Decision Item Name: Inflationary Funding
Decision Item Rank: 02

I. Purpose and Criteria for Inclusion in Request

Should funds become available, we are requesting a \$1,335,341 (1.7%) increase in our appropriation from the State of Missouri to cover inflationary costs anticipated for the current year. This adjustment for inflation will aid in maintaining adequate support of core activities. (We recognize that the actual 2012 inflation index will not be known until January 2013. Our request is based on the most recent Urban CPI index – June 2012.)

II. Description

In order to continue to be competitive for excellent faculty, staff and students and to maintain the quality of our programs, the University must address the current rising cost of utilities, transportation, employee healthcare and wellness, and other supplies and services necessary for the development of an educated person.

III. Cost Explanation

Our intended use of funds is documented in our newly adopted long-range strategic plan and summarized below.

Missouri State University intends to achieve four goals:

- Improving the undergraduate programs across campus through emphasis on student learning outcomes, and elevate multiple programs to “destination program” status.
- Strengthening and expanding focused graduate programs to positively impact the region and state.
- Creating a more diverse student body and workforce.
- Establishing the University as an “employer of choice.”

In order to accomplish these four goals, Missouri State will focus on the following priorities:

**Maintaining salaries against inflation
(including associated fringe benefits)**

Springfield	\$2,209,214
West Plains	\$128,097

Attracting and retaining outstanding staff and faculty is essential to the University's success. Unfunded enrollment growth and chronically low state funding have not allowed salaries to keep pace with competition. The University cannot attract or retain competitive staff and faculty without giving salary increases. The amount of increase should be comparable to inflation (1.7%).

In addition, Missouri State University will emphasize student recruitment and retention to ensure student success that will benefit Missouri through a more educated society and productive workforce. Inflationary funding increases will enable Missouri State University to better identify qualified students, assist them as they transition into post-secondary education and provide support throughout their educational experience that will result in successfully completing their educational programs.

**Instructional, Research, Service, Facilities, and Academic,
Student and Institutional Support Expenses**

Springfield	\$463,004
West Plains	\$25,504

The Consumer Price Index, as published by the Bureau of Labor Statistics, for All Urban Consumers (CPI-U) is currently at 1.7% (for June 2012) (www.bls.gov/cpi). Increases in Inflationary Funding will permit Missouri State University to upgrade, expand and maintain laboratory and classroom facilities and technologies that are constantly changing. Tomorrow's leaders need to gain the expertise and experience that better tools and facilities can provide. An increase for inflation for our supplies and services is being requested.

Utilities

Springfield	\$66,644
West Plains	\$4,536

The cost of utilities has increased at a rate far greater than the consumer price index. Although the University has invested in energy saving measures through the installation of a chill-loop heating and cooling system and centralized building control thermostats, we should continue to invest in these energy saving measures and position the University for future increases. Also, the University has increased its square footage with the acquisition and construction of new buildings. We are requesting an increase of 1.7% on our current utility costs.

TOTAL	\$2,896,999
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Our request is for **\$1,335,341** (46.0% of the total).

Should additional funding become available, we respectfully request that the difference between the documented need and the request be addressed.

IV. Evaluation of Outcomes

Missouri State University has adopted six strategic directions within its long-range plan. They are:

- Access to Success
- Public Affairs Integration
- Engaged Inquiry
- Partners for Progress
- Valuing and Supporting People
- Responsible Stewardship

Each of these strategic directives has established measurable desired objectives and tactics. We will evaluate our success and achievements using the designated criteria.

**UNRESTRICTED EDUCATION AND GENERAL
NEW DECISION ITEM REQUEST
FORM 5**

Department: Higher Education
Level 2: Missouri State University System
Level 3: Springfield, West Plains and Mountain Grove Campuses
Decision Item Name: Occupational Therapy Program
Decision Item Rank: 03

I. Purpose and Criteria for Inclusion in Request

We are requesting funding to develop and implement a Master of Science in Occupational Therapy (MSOT) degree program. Missouri State University's goal is to develop a program to train occupational therapists with a focus on rural health to help meet the health care needs of Missouri residents. Currently one public institution and four private institutions in Missouri offer graduate-level educational programs in occupational therapy. These programs are located in the northern half of the state along the I-70 corridor. Representatives from area hospitals in southwest Missouri report a strong interest in the development of an occupational therapy educational program at Missouri State University to help address the shortage of therapists. Senior Vice President of Strategic Initiatives and Communications of the Missouri Hospital Association (MHA), Mary C. Becker, provided a letter of support that stated, "The need for skilled therapists is great, especially in rural area of Missouri. It has taken many of our hospitals two to three years to fill open occupational therapy positions." The Missouri Economic Research and Information Center (MERIC) projected a need for 787 occupational therapists between 2008 and 2018.¹ The shortage of therapists is not limited to the state of Missouri. According to the United States Department of Labor, Bureau of Labor Statistics, employment opportunities in the field are expected to increase at a rate "much faster than average" with a projected increase of 33% between the years 2010 and 2020.² Current and prospective student interest in occupational therapy also supports the creation of an entry-level program. Offering this degree aligns with goals of MSU's prior and current long-range planning that calls for providing health-care education programs, and it fits the state of Missouri's goal to increase the number of degrees granted in critical disciplines of workforce need.

II. Description

MSU will develop and implement a two-year, 76 credit hour entry-level M.S. in Occupational Therapy with a 48 student capacity (24 per cohort). Each student in the program will participate in at least one field experience in a rural health setting. We will seek accreditation through the Accreditation Council for Occupational Therapy Education (ACOTE®) in order for graduates to be eligible for the National Board for Certification in

¹ Missouri Economic Research and Information Center (MERIC). (2008). Missouri's Hot Jobs. Retrieved March, 2012, from http://dese.mo.gov/divcareered/documents/MCE_Missouri_Hot_Jobs_2008-2018.pdf

² American Occupational Therapy Association (AOTA). (n.d.). About Occupational Therapy. <http://www.aota.org/Consumers.aspx>

**UNRESTRICTED EDUCATION AND GENERAL
NEW DECISION ITEM REQUEST
FORM 5**

Department: Higher Education
Level 2: Missouri State University System
Level 3: Springfield, West Plains and Mountain Grove Campuses
Decision Item Name: Maintenance & Repair Funding
Decision Item Rank: 04

I. Purpose and Criteria for Inclusion in Request

Should funds become available, we are requesting \$7,719,766 increase in our appropriation from the State of Missouri to provide Maintenance & Repair Funding that will aid in maintaining the University's facilities. Our request is based on 1.5% of the replacement value of our buildings. In order to offer top-notch programs and maintain a competitive edge in enrollment, increased resources are needed for maintenance and repair of core academic buildings. The University has many life safety, accessibility and critical operational deficiencies that must be addressed.

II. Description

The University's backlog of maintenance and repairs continues to grow faster than the available resources. At the end of fiscal year 2012, the backlog in maintenance and repair stood at \$97 million. The accepted industry standard for annual maintenance and repair expenditures is 2 to 4 percent of the base construction replacement value (BCRV). The 1.5% used for this request was recommended by the Missouri Department of Higher Education.

III. Cost Explanation

Our intended use of funds is documented in our newly adopted long-range strategic plan and summarized below.

Missouri State University intends to achieve four goals:

- Improving the undergraduate programs across campus through emphasis on student learning outcomes, and elevate multiple programs to "destination program" status.
- Strengthening and expanding focused graduate programs to positively impact the region and state.
- Creating a more diverse student body and workforce.
- Establishing the University as an "employer of choice."

In order to accomplish these four goals, Missouri State will focus on the following priorities:

Maintenance and Repair **\$7,719,766**

Progress in addressing the backlog in maintenance and repair of the physical plant was achieved in the late 1990s; however, the fiscal realities of 2002-04 demanded an internal reallocation of \$4 million that had been dedicated to facility maintenance. Since that time, University maintenance and repair resources have been insufficient to accomplish little more than the correction of some life safety, accessibility and critical operational deficiencies. The amount requested is based on 1.5% of the replacement value of the University's buildings which is \$514,651,098.

TOTAL REQUEST **\$7,719,766**

Should additional funding become available, we respectfully request that this request for additional state appropriations be addressed.

IV. Evaluation of Outcomes

Missouri State University has adopted six strategic directions within its long-range plan. They are:

- Access to Success
- Public Affairs Integration
- Engaged Inquiry
- Partners for Progress
- Valuing and Supporting People
- Responsible Stewardship

Each of these strategic directives has established measurable desired objectives and tactics. We will evaluate our success and achievements using the designated criteria.