



Rayburn Barton
Executive Director

Agenda Item 3.04.B.

Consideration of Below-the-Line Items

Each year institutions submit funding requests for projects that are not covered by the Mission Resource Requirements (MRR) to the Commission on Higher Education for its consideration. These projects are referred to as below-the-line items (Items) because they are outside of the MRR.

Items that are funded with non-recurring state appropriation are required to be requested by the institutions, and considered by the Commission, annually. Items funded with recurring state appropriations do not require annual approval consideration. But, a recurring item with a requested increase does require Commission consideration.

Staff initially determines whether the requests from the institutions meet the Commission approved eligibility guidelines. Ones that meet the guidelines are reviewed and analyzed and submitted to the Finance and Facilities Committee for consideration. Items not meeting the guidelines are sent back to the institutions, with the understanding that they can appeal directly to the Committee.

Items are summarized, and described on Attachment 1, by institution, in three categories. They are:

1. **Approved initially by Legislation** – these Items were funded initially without Commission endorsement but subsequent requested are commended favorably by the staff to the Committee.
2. **Competitive Matching Awards** – these Items have already received federal grants but required state match.
3. **Other** – these Items have various characteristics.

There are 9 new Item and 19 continuing Items, for a total of 28 Items, submitted for the Committee's consideration. For the continuing Items, staff is recommending that the funding level be the current appropriation plus the amount equivalent to the Higher Education Price Index (HEPI).

Eight of the 9 new items were approved by the Commission last year, but because of the financial situation of the state budget were not funded by the Legislature. The staff is recommending approval of these items again this year. Therefore, there is only one new item being recommended by staff for approval.

The Commission is requesting in its budget, on behalf of the colleges and universities the following:

Research Investment Fund	\$30 million
Technology Infrastructure	30 million
Deferred Maintenance	42 Million

Some of the items submitted to the staff for consideration are eligible for funding from the above sources.

Recommendations:

1. **Staff recommends that since budget requests from institutions include research, technology and deferred maintenance funding, and since the Commission's budget includes funding, on behalf of the institutions, for these items, no additional requests from the institutions be considered.**
2. **Staff recommends that the 8 Items approved from last year be approved.**
3. **Item 23, the only new item recommended by staff be approved.**
4. **For all recurring and nonrecurring items requesting an increase, staff recommends that the amount equivalent to the Higher Education Price Index (HEPI) be approved.**