



MISSOURI

December 18, 2008

Robert Stein, Ph.D.
Commissioner
Missouri Department of Higher Education
3515 Amazonas Drive.
Jefferson City, MO 65109-5717

Re: FY 2010 Budget Reduction Impact Statements: Other Curator
Programs

Dear Commissioner Stein:

Attached please find the FY 2010 budget reduction impact statements for the Other Curator Programs. Each of these programs has prepared its response, and in our oversight role, we are forwarding them to you.

For all of these programs, the ability to continue to meet their statutory responsibilities will be seriously compromised if subject to reductions in state support of 15% to 25%.

Sincerely,

Gary D. Forsee
President

NK:mb

Attachments

c: Paul Wagner, Deputy Commissioner

December 18, 2008

To: Paul Wagner, Deputy Commissioner
Missouri Department of Higher Education

From: Danny Wedding, Director
Missouri Institute of Mental Health

Re: Missouri Institute of Mental Health Impact Statement – FY2010

The Missouri Institute of Mental Health (MIMH) prepared this document in response to the University's request for an impact statement regarding potential fifteen, twenty, or twenty-five percent core budget cuts.

The Institute is dedicated to providing research, evaluation, policy and training expertise to the Missouri Department of Mental Health, other state agencies, service provider agencies, and other organizations and individuals seeking information related to mental health and related policy issues. Our faculty is able to leverage the limited funds received by the state into \$20-30 million of new revenue each year; this money supports innovative and important services and programs throughout Missouri. Cuts to the MIMH core budget will significantly limit the Institute's ability to continue to serve the state in this way.

It is important to note that reductions in the MIMH budget will likely be matched by equal or even more draconian cuts to the budget of the Department of Mental Health (DMH). As the DMH struggles to use every dollar possible to provide client services (in part to maintain the services previously supported by the Medicaid program), research and training will be neglected. When this occurs, the DMH will turn to MIMH to address research and training needs they can no longer support using their own resources. However, our ability to meet our statutory mission of service to the Department will be severely curtailed at the very same time the Department's needs are increasing because of their budget cuts.

Despite the limits in services and programs that a budget cut will require, we understand the importance of fiscal responsibility in demanding economic situations. We have listed below specific cuts the Institute is prepared to make; these changes are listed in increasing order of impact severity.

15% Core Reduction - \$275,982

Reduction of the Psychiatry training fund by 15% percent (\$66,441). Missouri statute mandates that a portion of MIMH's budget is shared with the MU Department of Psychiatry Residency Training Program. This budget reduction will limit MIMH's support for the Residency Program; this change will require approval from the Dean of the School of Medicine. Reduction to this program will be based upon the core reduction levels (15%, 20% or 25%).

Reduction of travel expenditures and elimination of our internship program. This will restrict our flexibility to attend important meetings in Jefferson City and Columbia, where almost all of our collaborative projects with the DMH and the University are located. Eliminating MIMH's participation in the St. Louis Psychology Internship Consortium will reduce our

commitment to the University's education mission, and require withdrawing from a previously agreed upon and longstanding collaborative partnerships with Saint Louis University and the St. Louis Psychiatric Rehabilitation Center. The Institute's postdoctoral training program was eliminated in a previous round of budget cuts. Being a non-traditional academic center (off campus), this Consortium is our last remaining link to the academic community. Although MIMH faculty and staff are committed to continuing our participation in this educational program, we will no longer be able to due to this budget cut.

Reduction in acquisition of new books and journal subscriptions. This will substantially reduce the Institute's library resources. Our library saves the Department of Mental Health (DMH) a tremendous amount by providing ready access to a librarian and relevant mental health treatment information as well as providing the latest research information to our faculty to support their grant writing activities. The quality of our service to the DMH and our ability to compete for future grant funding will be diminished if this reduction occurs.

Reduction of IT and divisional support staff (\$47,029). We plan to reduce our IT and administrative support staff. This reduction will result in less faculty productivity and fewer publications in peer-reviewed journals. Faculty will not have staff to provide IT problem-solving support, accounting support, travel arrangements, report formatting, meeting coordination, photocopying, etc. Faculty will assume these responsibilities, thereby diminishing the time they have to focus on science, scholarship and grant writing.

Reduce Grants & Contracts Administration position (\$33,973). Grants and contracts will not be processed in a timely manner and this will severely restrict our faculty's ability to submit grant applications and meet tight university and agency deadlines. Because we will not be able to respond to new funding opportunities quickly, we will simply not be competitive with other universities and literally millions of potential revenue could be lost.

Eliminate/reduce faculty positions (\$102,802). We plan to reduce faculty positions that are not funded 100% by the grants and contracts. This will limit our ability to grow by seeking outside grant support. More specifically, this action will significantly diminish the capacity of our Continuing Education Division and our Children's Division.

MIMH needs core funding to support unfunded faculty when they are "between grants;" our inability to provide some assurance of continued support for faculty increases anxiety, reduces morale, and makes faculty recruitment and retention extremely difficult.

20% Core Reduction - \$367,976

In addition to the 15% core reductions above, we will further reduce staff positions in our Continuing Education Division. Missouri statute mandates that MIMH provide mental health training for the State. This reduction will severely limit our ability to train state workers, and our growth capacity will be limited due to our inability to seek conference grant support. More specifically, this action will significantly diminish the capacity of our Continuing Education Division to meet our statutory requirements.

Reduction of the Psychiatry training fund by an additional 5%, totaling 20%.

25% Core Reduction - \$459,970

In addition to the 20% core reductions above, we will eliminate the Continuing Education Division. The MIMH Continuing Education (CE) program provides the training necessary to ensure that DMH employees are competent providers who are knowledgeable about best mental health practices and innovations in their fields. We do *not* want to live in a state in which our mental health providers are not kept abreast of the most current and effective practices and unable to easily access relevant treatment information. A 25% reduction will force us to eliminate further staff positions and shut down our CE division, forcing MIMH to disregard its statutory requirements to provide training for the mental health workforce in Missouri.

Reduction of the Psychiatry training fund by an additional 5%, totaling 25%.

December 18, 2008

To: Paul Wagner, Deputy Commissioner
Missouri Department of Higher Education

From: Dr Barry Hong, Interim Director, Missouri Kidney Program
Leanne Peace, Director, Missouri Kidney Program, January 5, 2009

Re: Missouri Kidney Program Impact Statement – FY 2010

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 the MoKP is currently able to assist only 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 budget cuts will reduce our ability to assist this growing population.

There are 6,368 Missourians with kidney transplants. The MoKP is currently able to assist only 7% of this population.

The mission of the Missouri Kidney Program (MoKP) is to assist eligible Missouri residents who have chronic renal insufficiency or a renal transplant to meet their medical, educational and psychosocial needs. This assistance includes assistance with life-saving medications, transportation (dialysis three times a week), insurance premium reimbursement, and dietary supplements.

Prevention is the key to kidney disease; this is possible with early education and medical intervention. In addition to direct patient care, we have a nationally recognized patient, family and professional education program as well as basic research designed to serve ESRD patients more cost effectively. It is our fundamental desire through education and research to slow the incidence rate of renal disease thus reducing the dependency on more expensive services funded by the State.

Missouri is regarded as a national leader in terms of its support for ESRD patients, as it is a fact that without medications, dialysis three times a week, appropriate diet and on-going education, patients will die. The Missouri Kidney Program is a life-sustaining service, NOT a supportive service; without our help Missourians with ESRD will die, transplant patients will lose their transplant which returns them to more costly dialysis treatment.

Impact Statement for core cuts of 15%, 20%, and 25%

Our FY2004 net budget of approximately \$3.9 million, after the mandatory 3% reserve, remains at \$3.9 million in FY2009. Unfortunately, we have not been able to assist the growing number of ESRD or transplant patients that are the "near poor". MoKP's mission is to promote educated and healthy renal patients, who can remain employed, plus enjoy a good quality of life, thus reduce the need to utilize other state and federal programs such as MO HealthNet, Food Stamps, Social Security Disability, and/or Supplemental Security Income.

Reductions of 15% (\$602,516), 20% (803,355) or 25% (\$1,004,194) will devastate our budget of \$3.9 million. If any of these options become a reality the lives of renal Missouri citizens will be severely and negatively impacted by such drastic cuts. In addition, such funding reductions will have indirect impact to Missouri citizens by increased hospitalization rates, increasing co-morbidity, and even mortality. Such funding reductions will also increase burden on other state and medical resources.

These cuts would result in a drastic reduction, if not elimination, of our educational programs geared toward prevention of kidney disease, including education programs for families, patients and health care professionals; reduction, and possible elimination of vital research which is geared toward containing cost; reduction in administrative staff and reduction in direct patient assistance throughout the state of Missouri.

In summary, the increasing renal population is only partially helped through our current appropriation of \$3.9 million. Reducing the current level of funding will create dependency on more costly state programs, and impoverish chronically ill citizens that are barely surviving in these economic times.

Date: December 18, 2008

To: Paul Wagner, Deputy Commissioner
Missouri Department of Higher Education

From: Bill Mitchell, Executive Director
Missouri Research and Education Network

Re: Missouri Research and Education Network (MOREnet) -- Impact Statement FY2010

OVERVIEW

The Missouri Research and Education Network (MOREnet) is a public research and education consortium comprised of nearly 800 members including public school districts, public libraries, higher education institutions and other affiliated organizations, plus 130 hospitals, clinics and other health care providers. MOREnet provides members with a statewide network and Internet connectivity, as well as, essential support services including technical support for the connection and member networks, videoconferencing for distance learning and training related to the network and vital technologies. Providing such services statewide enables MOREnet to concentrate its resources and expertise on the technology challenges facing these organizations. This creates significant cost savings not only for MOREnet members, but for Missouri taxpayers as well. Consortium members include 98 percent of public elementary and secondary school districts, 100 percent of public higher education institutions, 96 percent of four-year private not-for-profit institutions, 90 percent of eligible public libraries, as well as, state government, the legislature, the Missouri Telehealth Network and the University of Missouri Extension offices.

State funding is crucial to the continuation of network and essential services that our members' current education mission and business processes require and that would be significantly hindered if reduced or eliminated. Of the \$12.75 million currently appropriated to MOREnet in House Bill 3 (HB3), 51 percent supports all members, 40 percent directly supports school district connections and 9 percent directly supports public higher education institution connections.

IMPACT OF 15%, 20% OR 25% CORE REDUCTION

A reduction of MOREnet's HB3 core appropriation will directly impact the entire consortium through the reduction or elimination of services and an increase in member fees. Hardest hit will be school districts where even with the current level of state funding, bandwidth costs alone are already expected to increase by 30 percent, or roughly \$3 million, each year.

As FTE are eliminated and other expenses curtailed, services essential to the daily operations of consortium members, including member network support, training and video services will be reduced or eliminated. These and other services will be further degraded with the deferral of equipment replacements and maintenance. Reduction or elimination of these services would diminish the overall value of the consortium and threaten the public good leveraged by the consortium for the benefit of the greater membership in all areas, including connectivity.

Presently, MOREnet provides training and support for member networks and related technologies. In FY08, over 11,000 training contact hours were delivered to more than 3,500 participants and over 2,700 help desk tickets were handled. The majority of training and support was delivered to school district staff. A reduction or elimination of these services would require members to hire additional in-house staff or outside consultants, placing additional stress on their limited resources.

Use of MOREnet video services continues to grow dramatically; increasing by more than 300 percent in the last three years. In FY08, nearly 20,000 video events were scheduled by members, with more than 50 percent supporting distance learning programs for school district members and an additional 40 percent serving those of higher education institutions. A reduction or elimination of video services would force members to revise their programs, potentially eliminating this service for their constituents and reducing educational opportunities throughout the state. With the current and anticipated growth in distance learning, members will be forced to return to traditional methods of delivery or to build their own costly video infrastructure to support their individual needs, thus incurring significant individual costs and introducing greater overall costs statewide.

CORE REDUCTION SCENARIOS

A 15 percent reduction of the core appropriation, \$1,913,192, will require the elimination of 6 FTE from crucial service areas, totaling \$480,000 in salary and related costs, an immediate deferral or elimination of equipment replacement and maintenance expenditures \$477,192 and a 19 percent increase in member fees totaling \$956,000.

A 20 percent reduction of the core appropriation, \$2,550,922, will require the elimination of 9 FTE from crucial service areas, totaling \$640,000 in salary and related costs, an immediate deferral or elimination of equipment replacement and maintenance expenditures of \$640,922 and a 25 percent increase in member fees totaling \$1,270,000.

A 25 percent reduction of the core appropriation, \$3,188,653, will require the elimination of 11 FTE from crucial service areas, totaling \$822,000 in salary and related costs, an immediate deferral or elimination of equipment replacement and maintenance expenditures of \$776,653 and a 32 percent increase in member fees totaling \$1,590,000.

Any final decision on service reductions or eliminations and member fee increases will be subject to concurrence by the MOREnet Council.

Date: December 18, 2008

To: Paul Wagner, Deputy Commissioner
Missouri Department of Higher Education

From: Rachel Mutrux, Director
Missouri Telehealth Network

Re: Missouri Telehealth Network (MTN) – Impact Statement FY2010

1. *What will not be done that is currently being done if this reduction or cut is made?*

The Missouri Telehealth Network (MTN) has a state appropriation of \$857,640.

A 15% reduction is a cut of \$128,646.

A 20% reduction is a cut of \$171,528.

A 25% reduction is a cut of \$214,410.

FY2009 is the first year that MTN has received the state appropriation at this amount. This funding covers the core costs of operating a state-wide telehealth network. MTN exists to enhance access to care in underserved areas of Missouri, to provide educational opportunities for health care 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.

MTN has expansion grants with the following agencies:

- FCC- Rural Health Care Pilot Program- to create a 2 Gigabyte state-wide dedicated telehealth backbone and expand to 35 new telehealth sites. The grant is for \$2.3M over 3 years and there is a match requirement. First year match for equipment is \$262,800 and the match for the equipment annual maintenance agreements is \$25,200. (The match is a cost allocation based on the number of eligible and non-eligible sites on the network.)
- Missouri Department of Senior Services (DSS) - to expand the network to include 25 new Rural Health Clinics. The grant is for \$1.18M over 3 years with no match required.

The FCC pilot has no funds for personnel and the DSS has minimal support for personnel. MTN requires a full staff to fulfill our obligations to these funding sources and to our current 150 sites around the state, in Columbia, and on the UM Health Care (UMHC) campus. The quality of customer service will be negatively impacted by a reduction or cut.

A 15% reduction is a cut of \$128,646, and means that MTN will not have the funds for replacement or upgrading the aging telehealth equipment. New projects and initiatives will not be funded such as a telestroke pilot.

A 20% reduction is a cut of \$171,528, and means that MTN will not have the funds for replacement or upgrading the aging telehealth equipment. New projects and initiatives will not be funded and in-state travel would be cut for MTN employees providing on-site training, troubleshooting and maintenance. MTN currently funds \$30,000 in salary and

benefits for a Center for Health Ethics project faculty person; MTN support would have to be eliminated if this cut were to take place.

A 25% reduction is a cut of \$214,410, and means that MTN will not have the funds for replacement or upgrading the aging telehealth equipment. New projects and initiatives will not be funded and in state travel would be cut for MTN employees providing on-site training, troubleshooting and maintenance. MTN currently funds \$30,000 in salary and benefits for a Center for Health Ethics project faculty person; MTN support would have to be eliminated if this cut were to take place. MTN would have trouble meeting the match obligation to the FCC for the Rural Health Care Pilot Program of \$25,200 (estimated) per year.

2. *Who will be impacted by the reduction and how will they be affected?*

The impact of this reduction will be felt by the existing and future members of the Missouri Telehealth Network, rural health care providers, Fulton State Hospital, Marshall Habilitation Center, UMHC providers, Burrell Behavioral Health (and other community mental health centers), existing and future telehealth patients and others. Our mission is to increase the access to health care for underserved Missourians. We have approximately 150 sites in 48 counties and the City of St. Louis that rely on the Missouri Telehealth Network for maintenance, upgrades, troubleshooting, clinical referrals and other aspects of telehealth service.

A 15% reduction is a cut of \$128,646, current UMHC providers would be impacted because of the inability to provide replacement or upgraded equipment. Patients of those providers would be affected if their telehealth appointment cannot take place because of non-operational video equipment.

A 20% reduction is a cut of \$171,528. Sites would have to deal with their telehealth equipment being non-operational due to reduced travel. Patients of these sites may not be able to see their specialists over telehealth regularly. The Center for Health Ethics is planning a state-wide initiative on the Alternative Standards of Care for Palliative Care. This project would be impacted if MTN could not fund a portion of their project faculty person.

A 25% reduction is a cut of \$214,410. In addition to the above consequences, this cut could mean that MTN would not be able to meet its obligations to the Department of Social Services to expand to 25 new sites.

3. *How many people will be impacted?*

The Missouri Telehealth Network had nearly 3,000 clinical encounters in FY08. These patients saved over 575,000 miles of travel. 764 of these medical visits were with MO HealthNet patients, and now that MO HealthNet reimburses for telehealth, it is expected that these numbers will increase rapidly. Taxpayers saved \$82,337 in fuel costs for these visits (at the federal mileage reimbursement rate of 58.5¢ per mile). Marshall Habilitation Center currently saves over \$60,000 each year in patient transportation costs.

4. *Will this result in any loss of Federal, local or other funding/match?*

MTN needs to maintain current funding to keep the FCC Rural Health Care Pilot Program.

Network optical gear and network routers currently being purchased under this pilot are \$876,000. The match required on this equipment is estimated to be \$262,800 and annual recurring costs for maintenance agreements have a required match of an estimated at \$25,200. The FCC Rural Health Care Pilot Program specifically funds equipment and line charges, it does not fund any personnel. MTN needs this funding to pay for staff to meet the FCC commitment.

5. *Will the reduction impact other departments?*

Yes, dermatology, psychiatry, orthopedics, autism, genetics, endocrinology and other specialty departments will be impacted by a budget cut to the MTN. MTN acts as a liaison to the rural telehealth sites and promoter of services (both clinical and educational) to these clinics. In FY08 nearly 3,000 clinical encounters took place on the network. MTN provides technical support, troubleshooting, billing expertise and other services to the UMHC clinics. Also, over 600 hours of Continuing Medical Education were transmitted over the network in 2007.

6. *List legislative or other changes that would have to be made in order to realize savings in the area reduced.* N/A

Date: December 18, 2008

To: Paul Wagner, Deputy Commissioner
Missouri Department of Higher Education

From: Gary Kremer, Director
State Historical Society

Re: State Historical Society (SHS) – Impact Statement FY2010

The State Historical Society's FY 2009 budget is \$1,619,561. A 15% core reduction would be \$242,934; a 20% core reduction would be \$323,912; a 25% core reduction would be \$404,890.

Phase I--To achieve a 15% core reduction, the following actions would be taken:

Retiring Senior Reference Specialist position would not be filled—savings of \$48,463.
(Impact: This would reduce the newspaper library reference staff by 25%, thereby delaying responses to patrons' research requests and processing of new acquisitions. It would also eliminate the supervisory position for the newspaper library reference staff).

Newspaper microfilming budget would be eliminated—savings of \$140,000.
(Impact: The State Historical Society receives approximately 300 newspapers per week. Not microfilming these papers for one year would require the Society to double its storage space for unfiled papers and create a serious backlog of unfiled papers).

Missouri Historical Review publication costs would be eliminated —savings of \$32,000.
(Impact: This would make it very difficult for the Society to fulfill its statutory responsibility of issuing its regular scholarly publication. Publication of the *Missouri Historical Review* began in 1906; since that date, the *Review* has been published on a quarterly basis without missing any issues).

Student worker positions would be eliminated—savings of \$21,530.
(Impact: This would not only reduce the Society's ability to respond to patrons' requests in a timely manner and to complete filing and many other clerical duties, including preparing newspapers for microfilming, that the full-time staff does not have time to do, but it would also deprive from 4-8 students the opportunity to earn money while attending school).

History Day budget would be reduced—savings of \$941.
(Impact: This would reduce the Society's ability to engage in outreach work among junior high and high school students and teachers who might be potential History Day participants).

Total savings, Phase I: \$242,934

Phase II—To achieve a 20% reduction, the following actions would be taken after the completion of Phase I:

History Day budget would be eliminated—savings of \$12,259.

(Impact: This would eliminate almost all outreach work among more than 2,000 potential History Day students and their teachers).

Manuscript Specialist position at WHMC-St. Louis would be eliminated— savings of \$32,750.

(Impact: This would reduce the WHMC-St. Louis staff by 25% and significantly impact both reference services and manuscript processing, particularly since an additional WHMC-St. Louis position would be eliminated by virtue of reductions in the WHMC-St. Louis budget).

Library Clerk III position would be eliminated—savings of \$24,284.

(Impact: This would significantly impact the Society's ability to respond to patrons' requests for photographs. This position is devoted full-time to filling requests for copies of photographs).

Equipment and Expense budget would be reduced—savings of \$11,685.

(Impact: This would significantly impact the Society's ability to do outreach throughout the state and would also force Society staff to function without an adequate supply of basic office materials).

Total savings, Phase II: \$80,978

Total savings, Phase I and Phase II: \$323,912

Phase III—To achieve a 25% reduction, the following actions would be taken after the completion of Phase I and Phase II:

Administrative Assistant position would be eliminated—savings of \$24,918.

(Impact: Eliminating this position would leave the Society with one full-time administrative support staff member in the Society's administrative office. Prior to budget reductions earlier this decade, there were three full-time administrative assistants/associates working in this office).

Reference Specialist position would be eliminated—savings of \$32,750.

(Impact: This would reduce the reference library staff by one-third and dramatically reduce the Society's ability to respond to patrons' needs, both in-house requests and mail, phone and online requests.

Equipment and Expense budget would be reduced by an additional \$7,143.

(Impact: This would virtually eliminate any outreach on the part of Society staff, both providing informational programs on Missouri history and technical assistance for members of local historical and genealogical societies).

Equipment and Expense budget would be reduced by an additional \$16,172 ("art insurance").

(Impact: This would result in the Society's lowering the insurance coverage on its art collection).

Total savings, Phase III--\$80,983

Total savings, Phase I, Phase II, Phase III: \$404,895