Mississippi State Institutions of Higher Learning

Joint

Legislative Budget Committee

September 18, 2012
3:45 p.m.
Overview of IHL Board

- Manage and control Mississippi’s public universities and institutions (Article VIII, Section 213-A of Mississippi Constitution)
  - 12 Trustees
  - 1 Commissioner
  - 8 Institutional Executive Officers
    - 8 universities
    - 25 institutes and centers
    - 5 agricultural units
    - 1 medical center
The Higher Education Story

- Borderless/Competition
- Student choice
- 25,000 employees
- Missions (varied)
  - Education
  - Research
  - Service
  - Health Care
  - Agriculture
State Appropriations

• Nine (9) Appropriation Bills
  1. On and Off Campus (Education and General)
  2. State Financial Aid
  3. University of Mississippi Medical Center
  4. Alcorn State University Agriculture
  5. Mississippi State University Cooperative Extension (COOP)
  6. Mississippi State University Agricultural and Experimental Forestry Station (MAFES)
  7. Mississippi State University Forest and Wildlife
  8. Mississippi State University School of Veterinary Science
  9. Subsidiary (Institutes and Centers) includes the System Office
FY 2013 Nine (9) Appropriation Bills
(in millions)
$687 million

UMMC, $183,917,002, 27%
Financial Aid, $32,678,808, 5%
Subsidiary, $27,202,849, 4%
ASU - AG, $5,498,389, 1%
MSU - MAFES, $21,365,833, 3%
MSU - Coop, $27,369,914, 4%
MSU - F&W, $5,392,854, 1%
MSU - Vet, $16,203,711, 2%
E&G, $367,328,484, 53%
Changes in System Appropriations
FY 2008 to FY 2013

$38.5 million of UMMC’s reduction is due to changes in appropriating Medicaid
Sources of Revenues (Budget)
FY 2013
(in millions)

Total Budget - $3.76 B

<table>
<thead>
<tr>
<th>Appropriations</th>
<th>Self-Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81.7%</td>
</tr>
<tr>
<td></td>
<td>$3,068.5</td>
</tr>
<tr>
<td>$686.1</td>
<td></td>
</tr>
</tbody>
</table>

4.5 times
or
$4.50 for each $1
invested

September 18, 2012
Joint Legislative Budget Committee
Education and General Budget
Funding Comparison FY 2000 and FY 2013

FY 2000

- Appropriation: 56%
- Tuition: 32%

FY 2013

- Appropriation: 59%
- Tuition: 35%

FY 2012

- Appropriation: 57%
- Tuition: 37%
Education & General
Enrollment and Total Budget Per FTE
FY 2000 to 2012
(2000 Dollars)

Total Budget Per FTE: $10,940

FTE Enrollment (FY 11): 64,935
+8,437, or 15%

FTE Enrollment: 56,498

Total Budget Per FTE (FY 12): $10,466
-$475, or -4%

Enrollment

$12,000

$11,500

$11,000

$10,500

$10,000

$9,500

$9,000

Education & General
Enrollment and Appropriations Per FTE
FY 2000 to 2012
(FY 2000 Purchasing Power)

Enrollment: 56,498
APP/FTE: $6,009

Enrollment (FY11): 64,935
+8,437, or +15%

APP/FTE (FY00 Dollars): $3,935
-$2,074, or -35%

September 18, 2012
Joint Legislative Budget Committee
Efficiencies

- Energy Conservation
- Bond Rating Upgrade
- Insurance Consolidated Purchases
- Course Redesign
- Space Utilization and Management
Education & General
Operating Budget by Object
FY 2013
Chart Total = $964.7 million

- Personnel, $653.2, 68%
- Contractual, $244.9, 25%
- Commodities, $20.8, 2%
- Travel, $7.9, 1%
- Capital, $16.4, 2%
- Other, $21.5, 2%
Economic Impact of the University System 2011

Direct and Indirect Jobs
52,780

Labor Income
$2.1 billion

Additions to General Fund
$186 million
Consequences

- Faculty Salaries
- Class Size Ratios
- Facilities
FY 2000 to 2011
Average Faculty Salaries
Mississippi and SREB
(FY 2000 Purchasing Power)

MS Ave. Faculty Salaries
SREB Ave. Faculty Salaries

SREB: $55,022
SREB (FY00 Dollars): $56,819
$+1,797, or +3%

MS: $51,226
MS (FY00 Dollars): $48,262
$-$2,964, or -6%

Difference of
-$3,796, or -7%

Gap increased in real dollars to
-$8,558, or over 15%

September 18, 2012
Joint Legislative Budget Committee
Total Cost Per Degree and Degrees Granted
FY 2000 to FY 2011
(FY 2000 Dollars)

Degrees Granted: 12,739
Cost Per Degree: $48,520

Degrees Granted: 15,633
Cost Per Degree (FY 00 Dollars): $41,995

Degrees Granted: 15,633
+2,894, or +23%
-6,525, or -13%
APPROPRIATION REQUEST
Comparison of Education Funding
to Growth of State
Budget Comparison of Growth
IHL E&G no Ayers, CJC, MDE, and State
FY 2013 compared to FY 2000, FY 2003 (10 years), and FY 2008 (5 years)

General Funds Only

- IHL E&G: 27% (Growth Since 2000), -15% (Growth Since 2003)
- CJC: 0% (Growth Since 2003)
- MDE: 34% (Growth Since 2003), -9% (Growth Since 2008)
- State: 37% (Growth Since 2003), 35% (Growth Since 2008)
E&G (excluding Ayers) Appropriation Request
IF Based on Various Scenarios
(in millions)

- Same Dollar Appropriation as FY 2000: $10.7
- Same APP/FTE as FY 2000: $62.9
- Same % Growth in State General Funds Since FY 2000: $153.7
## Mississippi Institutions of Higher Learning
### Budget Request to the Legislature
#### For Fiscal Year 2014

<table>
<thead>
<tr>
<th>Legislative Bills</th>
<th>FY 2013 Appropriation</th>
<th>Additional Request for FY 2014 over FY 2013</th>
<th>FY 2014 Appropriation Request</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Salary &amp; Other Adjustment</td>
<td>PERS Unfunded Increase Effective July 1, 2012</td>
<td>Total Additional Request</td>
</tr>
<tr>
<td>On and Off Campus (including Ayers)</td>
<td>$367,328,484</td>
<td>$40,000,000</td>
<td>$6,175,783</td>
<td>$46,175,783</td>
</tr>
<tr>
<td>State Financial Aid</td>
<td>29,578,808</td>
<td>* 4,421,192</td>
<td>4,644</td>
<td>4,425,836</td>
</tr>
<tr>
<td>UMMC</td>
<td>183,917,002</td>
<td>10,000,000</td>
<td>6,634,028</td>
<td>16,634,028</td>
</tr>
<tr>
<td>All Other Bills</td>
<td>103,033,550</td>
<td>4,000,000</td>
<td>1,190,609</td>
<td>5,190,609</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$683,857,844</td>
<td>$58,421,192</td>
<td>$14,005,064</td>
<td>$72,426,256</td>
</tr>
<tr>
<td>MCVS</td>
<td>500,000</td>
<td>159,627</td>
<td>-</td>
<td>159,627</td>
</tr>
<tr>
<td><strong>MCVS</strong></td>
<td>$684,357,844</td>
<td>$58,580,819</td>
<td>$14,005,064</td>
<td>$72,585,883</td>
</tr>
</tbody>
</table>

* Does not include $3.1 million appropriated spending authority. The request includes replacement of the $3.1 million spending authority with General Funds.

September 18, 2012

Joint Legislative Budget Committee
Questions