Mississippi Institutions of Higher Learning Profile

United Campus Workers of Mississippi, Communications Workers of America

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Key Facts

- Governance of higher education in Mississippi is centralized. Two governing boards have constitutional authority to manage all public higher education in the state;
- The Institutions of Higher Learning (IHL) govern the eight 4-year institutions and the University of Mississippi Medical Center, while the State Board for Community and Junior Colleges (SBCJC) governs the state's 15 community colleges;
- 71,304 full-time equivalent students enrolled in IHL institutions (Fall semester 2018);
- Enrollment in IHL went up by 0-2% a year from 2000-2017 for a net increase of 27%;
- The system employs nearly 28,000 total workers; about 21,000 or 67% were full time and 6,900 or 25% were part time (as of 2017); Of the part-time workforce, 3,352 or nearly half were graduate student workers;
- State funding for higher education in Mississippi has been severely cut over the past decade; in 2017 it was 22% below where it had been in 2008; As a result, between 2010-2019 in-state tuition went up by 63% and out-of-state tuition rose by 52%;
- With 2017 assets of $9.9 billion and total liabilities of $5.9 billion, overall, IHL's financial position is strong. Moody's, a company that provides credit rating services, gives the IHL their third highest rating of Aa2, meaning it is low risk and strong investment-grade debt;
- In recent years, enrollment increases have come with student demographic changes, in part due to aggressive recruitment of affluent out-of-state and international students. Between 2008 and 2018 white student enrollment increased by 15%, students identifying as "Other" grew by 65%, and Black enrollment fell 4%. And between 2011-2016 alone, the percentage of non-traditional students decreased by over 25%;
- Racial segregation in IHL institutions has been an ongoing issue. Ayers, a 1975 discrimination case led to a landmark Supreme Court case referred to as the Brown v. Board of higher education. The eventual settlement—decided in the lower courts—included financial support to the HBCUs and mandated a set of policies intended to diversify all public institutions. Along with a $70 million publicly funded endowment for the HBCUs IHL was supposed to raise private funds for another endowment of $35 million, of which only a little over one million has been raised to date.[1] In 2022 all Ayers settlement support will end; as a result, questions about the future of Mississippi's HBCUs are of increasing concern.

[1] "As Ayers Settlement Winds down, Anxiety Escalates at Universities," *Mississippi Today*, September 12, 2017, https://mississippitoday.org/2017/09/12/ayers-settlement-winds-anxiety-escalates-universities/, accessed 05-13-19.

Overview

The Board of Trustees of Mississippi Institutions of Higher Learning (IHL) was established to govern the state's public higher education institutions in 1911 and reorganized under a constitutional amendment in 1944. Today the Board's 12 members govern the state's eight public four-year institutions, including three Historically Black Colleges and Universities (HBCUs), the University of Mississippi Medical Center, and off-campus centers and research institutions.

As is the case in Georgia, Florida, and 11 additional states, Mississippi's higher education governance is centralized, with two governing boards that oversee all public higher education. IHL governs all public 4-year institutions and the State Board for Community and Junior Colleges (SBCJC) governs the state's 15 community colleges.

The 12 IHL Board members, four from each of the three Mississippi Supreme Court Districts, are appointed by the governor with approval from the Senate and serve nine-year terms. The Commissioner of Higher Education is responsible for assisting the Board by overseeing the management of the universities.

IHL departments include: academic and student affairs, real estate and facilities, finance and administration, research and planning, external relations, legal affairs, strategic research, government relations, and policy and strategic initiatives.

Challenges to racial integration efforts of various stripes by the state's white elites have defined the history of education in Mississippi post Reconstruction. Despite the Brown v. Board of Education 1954 ruling, only one-third of Mississippi's educational institutions were integrated by 1967 and even then only 1% of the state's Black children went to school with white children. Mississippi was one of 10 states identified by the federal government in the 1970's as operating two separate public higher education systems—one for Black students and one for white.[2]

As a result of organizing, legal advocacy, and ultimately a Supreme Court ruling, over the past two decades Mississippi has been "operating under perhaps the most prescriptive [federal] desegregation mandate in higher education."[3] Yet despite this, segregation remains deeply entrenched. For instance, while Black students make up more than half of all high school graduates in the state, they account for only 12% of the student body at the University of Mississippi, the state's most academically prestigious institution.[4]

Budget

The Formula for funding public higher education in Mississippi stipulates that 90% of the total funds are allocated based on enrollment using total credit hour completion numbers, but with preference given to enrollment in "priority fields" (STEM, Health and Education). The other 10% of state funds are allocated using a performance or "outcomes-based" funding model. The performance metrics include: the number of degrees per full-time enrollment and per $100,000

[2] PJames T. Minor, "Segregation Residual in Higher Education: A Tale of Two States," American Educational Research Journal December 2008, Vol. 45, No. 4, pp. 861-885, 867, http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1033.3431&rep=rep1&type=pdf, accessed 5-20-19.
[3] Ibid, 879.
[4] Mark Huelsman, "State Universities Are Being Resegregated," *The Nation*, January 30, 2019, https://www.thenation.com/article/affirmative-action-state-universities/, accessed 04-12-19.

in revenue, the number of "at risk" students, successful completion of college level math or english; and, for the research universities, research activity and funding.[5]

However, in recent years the governor and legislators have been unwilling to provide significant state allocations to IHL, funding the institutions at levels below what the formula mandates.[6]

Debates over the future of higher education in the state have been common of late, influencing budgetary decisions about the institutions. For instance, in 2011 then-governor Haley Barbour suggested the state merge the three public HBCUs into one institution in order to cut costs.[7]

In 2018 the total IHL budget was $4.5 billion; state appropriations contributed 28% or $668 million of the total budget and tuition represented 67%.

IHL funds come primarily through the general fund. In 2018, the state appropriated 10% of the total general fund to IHL. In 2000, when IHL's student population was 26% lower than it is today, 16% of the total general fund went to the system.[8]

Funding levels for higher education declined dramatically around the country in the years following the 2008 Great Recession. Between 2008 and 2018, Mississippi cut per-student funding for higher education by over 34%, placing it sixth on the list of states where cuts have been the most severe.[9]

In recent years, however, most states have either steadily increased funding for higher education or at least provided stable funding. As Figure 1 below shows, as of 2019 Mississippi per-student funding to IHL was still 37% below pre-recession levels. The graph also shows the dramatic ups and downs to funding over the last decade. While Mississippi increased per-student state support for higher education in 2013, 2014, and 2015, it then backtracked, cutting per-student funding significantly between 2015 and 2018.

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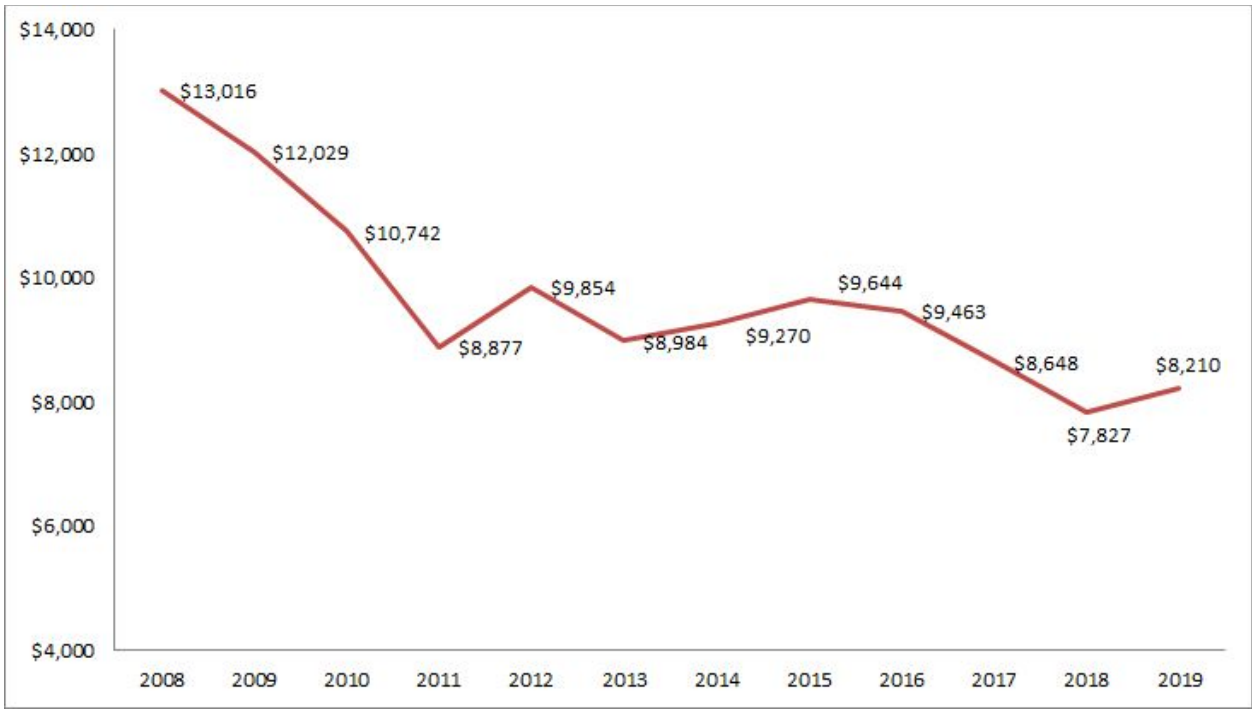
[5] Mississippi Public Universities, Performance Allocation Model, http://www.mississippi.edu/downloads/ihl_130418-2.pdf, accessed 03-19-19.
[6] "University Lobbies State Legislature for Additional Funding," The Daily Mississippian," https://thedmonline.com/university-lobbies-state-legislature-additional-funding/, accessed 05-20-19.
[7] Ward Schaefer, "University Mergers Loom?," *Jackson Free Press*, http://www.jacksonfreepress.com/news/2009/nov/18/university-mergers-loom/, accessed 03-19-19.
[8] IHL System Profile, 2017, http://www.mississippi.edu/research/downloads/profile2017.pdf, accessed 3-20-19.
[9] "Unkept Promises: State Cuts to Higher Education Threaten Access and Equity," Center on Budget and Policy Priorities, 2018, https://www.cbpp.org/research/state-budget-and-tax/unkept-promises-state-cuts-to-higher-education-threaten-access-and, accessed 04-01-19.

Figure 1: Per-student Funding for Higher Education Dramatic Declines, 2008-2019 (adjusted for inflation)

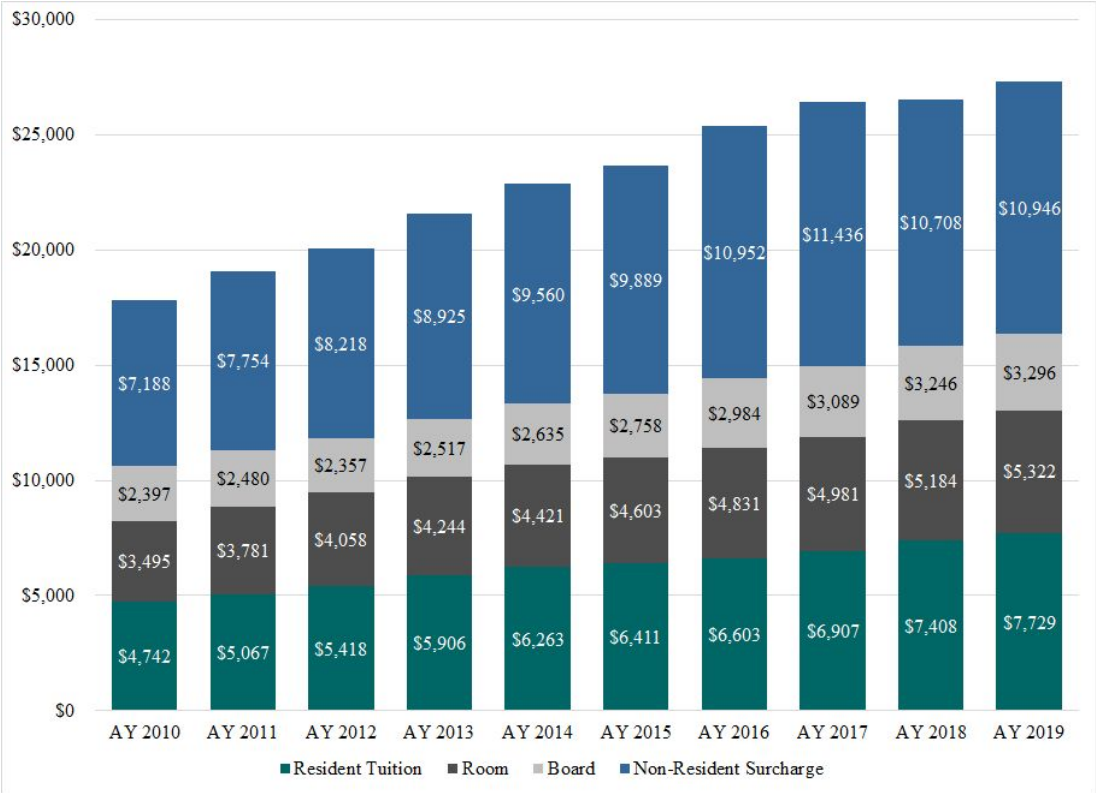


Source Notes: Total appropriations to IHL divided by total FTE enrollment. Appropriations from IHL Financial Statements FY08-FY18, State appropriations for higher education FY19 appropriations: MS Legislative Budget Book, http://www.lbo.ms.gov/misc/FY18_BudgetBook/bbook18-br25b.pdf; 2018 and 2019 enrollment estimated based on an assumption of a 1.1% increase, the average of enrollment increases between 2014-2017; Inflation calculations made using CPI-U-RS

Declining state support for IHL has meant the institutions must increasingly rely on revenue from federal and private grants, auxiliary services, and tuition. While in 2000, state appropriations made up 56% of the IHL budget and tuition contributed 32%, by 2018 these figures had reversed, with appropriations representing 27% of the IHL budget and tuition 68% from tuition (as noted above).

Figure 2 below illustrates that Between 2000 and 2019 in-state tuition went up by 63% and out-of state tuition rose by 52%.

Figure 2: Average Tuition, Room, & Board Rates by Academic Year IHL System Average

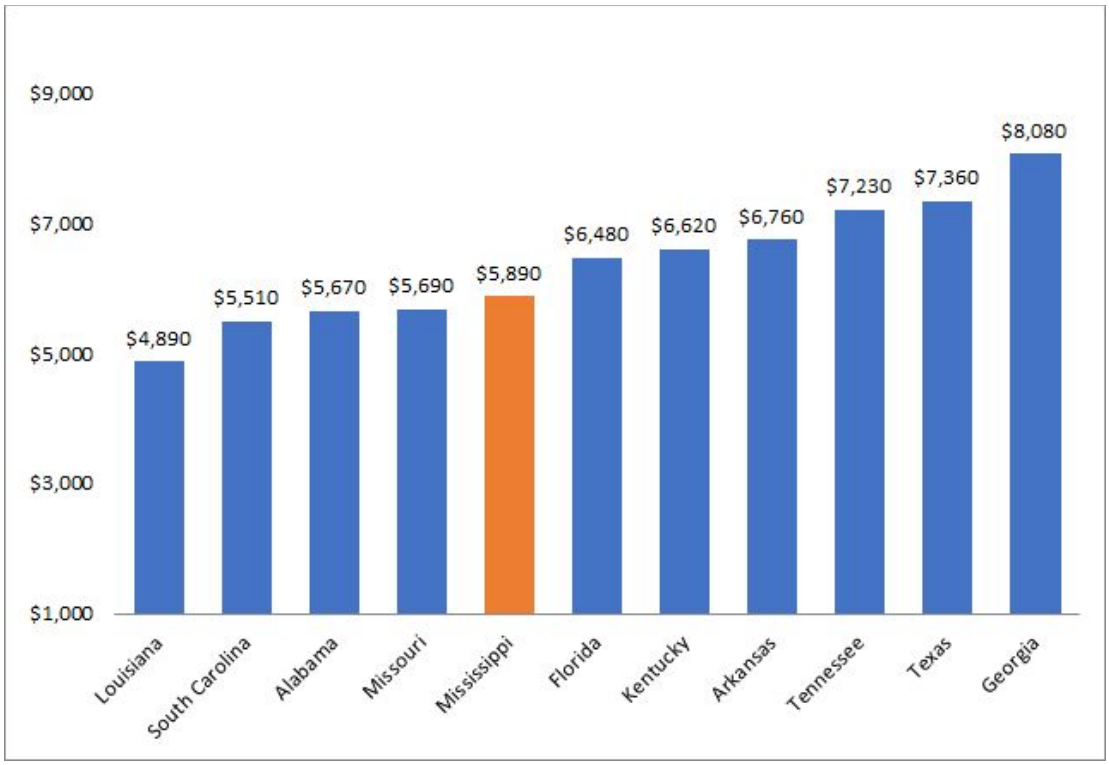


Source: IHL Strategic Research, Tuition, http://www.mississippi.edu/research/stats.asp

Figure 3 provides regional context, comparing per-student funding across the 12 SEC states. As of 2017 only Louisiana had significantly lower levels of funding than Mississippi.[10] Alabama, South Carolina, and Missouri fund higher education at a slightly lower per-student rate than Mississippi, but their rates are largely comparable.

[10] "2016-17 State and Local Funding for Higher Education per Student and per $1,000 in Personal Income and 10-Year Percentage Change in Inflation-Adjusted Funding per Student, by State - Trends in Higher Education - The College Board," accessed May 7, 2019, https://trends.collegeboard.org/college-pricing/figures-tables/state-local-funding-student-1000-personal-income-state-2016-17.

Figure 3: 2017 Per-student funding for Higher Education in the 11 SEC States



Data sources: College board analysis of SHEEO, SHEF reports; funding levels here include state and local sources of funding and all higher education (e.g private, community colleges, etc).

During the 2019 session, the legislature voted to increase IHL funding considerably for FY20, allocating $37 million more to the institutions than in FY19.[11] That said, this was considerably less than the over $100 million increase IHL requested, in part to make up pension shortfalls.[12]

Mississippi Center for Public Policy analysis suggests that at least some of the increased funding may have been politically motivated. As the Center reports: "In a stunning admission while presenting the bill's conference report, state Rep. Jeff Smith (R-Columbus) said that many of the projects were for "trying to help members that are going to have tough races."

Moreover, a large portion of increased state funds allocated came from a large bond measure that authorized over $371 million in public debt to be used for various state construction projects, including $85 million for IHL projects and $25 million for community college projects.[13] Thus, whether the 2019 bump in funding reflects a commitment to consistently higher per-student funding for higher education is yet to be seen.

IHL Institutions

The eight public institutions in Mississippi include four research universities and four small regional universities. The largest research university, the University of Mississippi (UM), is an R1

[11] Steve Wilson, "State Budget Grows by Almost 4 Percent," *Mississippi Center for Public Policy*,, April 5, 2019, https://www.mspolicy.org/state-budget-grows-by-almost-4-percent/, accessed 04-10-19.
[12] See: "Legislative Relations: Funding Request," 2019, http://www.mississippi.edu/gov/, accessed 05-16-19.
[13] Steve Wilson, "State Borrows Nearly $400 Million from Taxpayers," *Mississippi Center for Public Policy* (blog), April 1, 2019, https://www.mspolicy.org/state-borrows-nearly-400-million-from-taxpayers/.

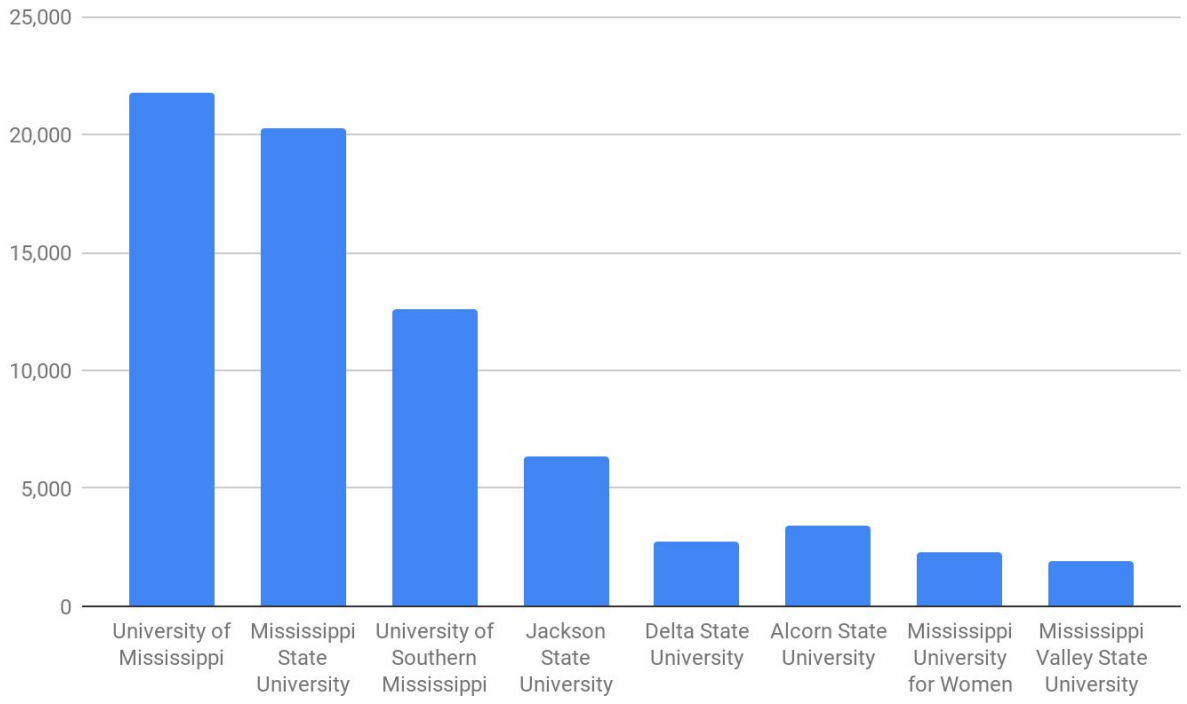
university located in Oxford. Mississippi State University (MSU), also an RI, is located in rural Starkville and is nearly as large as UM. MSU is one of two land grant institutions in the state. The University of Southern Mississippi (USM) in Hattiesburg is the state's third largest R1. Jackson State University (JSU) is an R2 HBCU located in the capital city of Jackson.

In addition to Jackson State, Mississippi is home to two other public HBCUs: Alcorn State University (ASU), a small land grant university in the rural Southwest, and Mississippi Valley State University (MVSU), another small institution in the rural northwest. MVSU is located less than an hour from Delta State University (DSU), also a small regional institution.

Mississippi University for Women (MUW or "The W") in Columbus, MS opened in 1884 as the first public university for women; originally named the "Industrial Institute and College for the Education of White Girls," it later became co-educational—although still majority women—and among the most integrated of Mississippi's primarily white institutions. Figure 4 below shows that as of Fall 2018 36% of students at MUW were Black, 20% were men, and 80% were women.

IHL also includes the University of Mississippi Medical Center (UMMC), an important state medical school and hospital. While the UMMC is included in the financial analysis portion of this report—and is an important teaching hospital and profit center for IHL—it is not a traditional public higher education institution and is not included in much of the analysis in this report.

Figure 4: IHL Full-time Equivalent Enrollment by Institution, Fall 2018



Historically Black Colleges and Universities

As noted, public higher education in Mississippi remains deeply segregated. The attractiveness of the HBCUs for Black students in the state and region may account for some of this. But Mississippi's particularly violent and pervasive history of Jim Crow, white supremacy, racism

and classism has shaped all of the state's public institutions, and particularly K-12 education. One result of the historic context has been low economic mobility for the state's poor residents, particularly poor Black residents. In fact, about 30% of the state's Black residents are living below the poverty line compared to about 10% of white residents.[14]

Given the socioeconomic and racial barriers to higher education in Mississippi, the state's HBCUs play an important role for Black residents: supporting Black-led education and community building. However, the HBCUs are under-resourced and under-supported by state leaders. This follows a historical pattern. In their 2017 book researchers Kamden Strunk, Leslie Ann Lock, and Georgianna Martin describe the historical context of the state's HBCUs:

> Alcorn State University, for instance, was founded as a public land-grant institution. However, after Reconstruction, White Mississippians took control of the state and slashed its budget, reducing its role to a trade school. The state's two other HBCUs' were formed as a direct tactic by the state to resist desegregating it's Primarily White Institutions.[15]

Efforts to integrate higher education in Mississippi led to the Ayers desegregation case in 1975, which the U.S Department of Justice eventually joined and the US Supreme Court heard as U.S. v. Fordice in 1992. The Supreme Court decided on the side of the U.S Department of Justice and the case is now commonly referred to as the Brown v. Board of higher education.[16]

The Ayers Settlement

On January 28, 1975, Jake Ayers and a group of racial justice advocates brought a class action suit against the Governor of Mississippi, the Board of Trustees of State Institutions of Higher Learning, the Commissioner of Higher Education, and the five predominantly white public universities in the state. The plaintiffs charged racial discrimination against African Americans through Mississippi's neglect of the HBCUs and investment in better programs and facilites at the predominantly white colleges.[17]

When the case reached the US Supreme court in 1992 the judges ruled on the side of the plaintiffs but sent the case back to the lower courts to determine the specific remedies. Like Brown v. Board, the case established that it was not enough that segregation was no longer state policy in public higher education. Instead, states could be guilty of perpetuating segregation and be judged in violation of the Fourteenth Amendment (equal protection under the law) if the following three conditions are found to be true:

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[14] "Poverty Rate by Race/Ethnicity," Kaiser Family Foundation, 2017, estimates based on the Census Bureau's American Community Survey, 2008-2017, https://www.kff.org/other/state-indicator/poverty-rate-by-raceethnicity, accessed 05-13-19.

[15] Strunk, Kamden, Lock, Leslie Ann, Martin, Gedorgianna, 2017, *Oppression and Resistance in Southern Higher and Adult Education: Mississippi and the Dynamics of Equity and Social Justice* (New York: Palgrave, 2017), 33.

[16] Adam Harris, "They Wanted Desegregation. They Settled for Money, and It's About to Run Out.," *The Chronicle of Higher Education*, March 26, 2018, https://www.chronicle.com/article/They-Wanted-Desegregation/242930, accessed 03-13-19. For more in-depth legal analysis, see also: Morris, Aldon Allen, Walter Maurrasse, David et al., "White Supremacy and Higher Education: The Alabama Higher Education Desegregation Case," *National Black Law Journal*, 14 (1), 1994.

[17] Harris, op. cit., "They Wanted Desegregation," March 26, 2018.

> [1] A contemporary policy in the operation of the state's system of public higher education is traceable to past segregation...[2] That the policy traceable to past segregation (i.e., "vestige") has current segregative effects. [3] Where vestiges are still in force and where these continue to have segregative effects, it must be shown that these policies have not been reformed to the extent practicable and consistent with sound educational practices.[18]

The road from the Supreme Court decision to specific remedies decided by the lower courts was long. As detailed by Adam Harris writing for the Chronicle in 2018:

> The case bounced between the district court and the appellate court for a few more years. By now, the plaintiffs were growing weary. After three decades, it appeared that the most expedient way to end the case would be for the state to funnel money to its black colleges for programs, salaries, and facilities. The parties decided to craft a settlement...In 2001, more than a quarter-century after the beginning of the first negotiation, Mississippi agreed to pay its black colleges $246 million over 17 years for academic programs, and $75 million over five years for capital improvements. The state would also contribute $70 million to a public endowment, and try to raise up to $35 million for a private endowment, which a state committee would manage until the colleges increased their nonblack enrollments.

The settlement also required Mississippi to create intentional policies aimed at integration across admissions standards, program duplication, institutional mission and the number of institutions. However, it created requirements for both HBCUs and predominantly white institutions[19] and the settlement had its critics. According to Harris' coverage, a former lawyer for the plaintiffs, Alvin O. Chambliss, believed that the monetary restitution: "wouldn't be nearly enough to erase the vestiges of legal segregation. 'I could not spend 25 years of my life to take that settlement,' Chambliss recently told The Chronicle. 'It was blood money.'"

Others said that settling was the only option, as to continue would run the risk of losing. In fact, before the case was settled a federal judge ruled regarding specific remedies: "that the state's three historically black colleges must use at least 65 percent of a trust fund to provide scholarships to attract white students."[20]

Today, the Ayers settlement continues to be a critical framework for addressing racial inequality in higher education in Mississippi, particularly because the original intent of the Ayers case—to desegregate public higher education in the state—has not been realized. But even the smaller promises of the settlement were not met: As of 2017 the $35 million endowment fund that IHL was supposed to create with private donations totalled just over a million dollars.[21]

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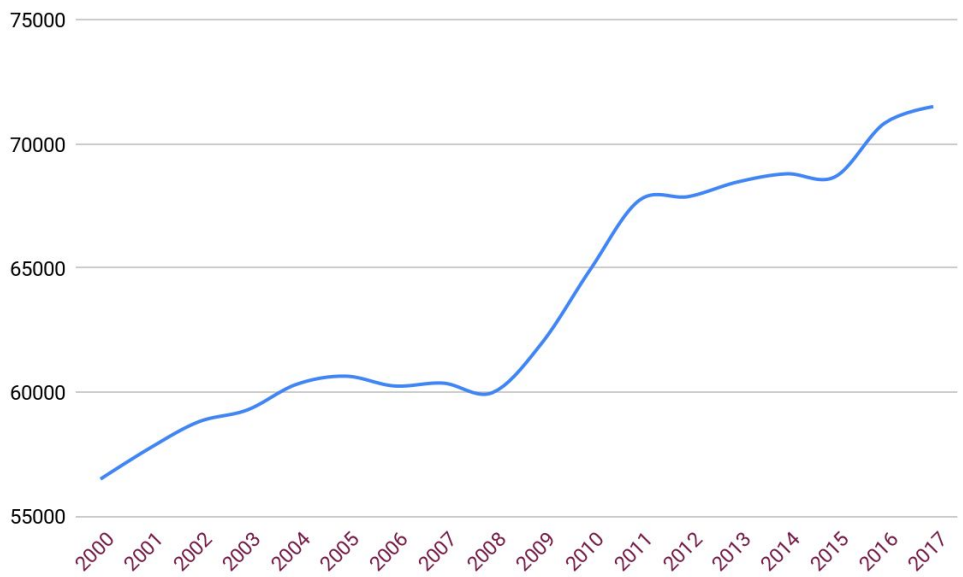
[18] Morris, Aldon Allen, op cit, "White Supremacy and Higher Education," 1994.
[19] Lemondra V. Hamilton, "Equality under the Law," *Research in Higher Education Journal*, Vol 24, August 2014.
[20] Jeffrey Selingo, "Judge Tells Black Colleges in Mississippi to Use Aid to Recruit White Students," *The Chronicle of Higher Education*, June 30, 2000, https://www.chronicle.com/article/Judge-Tells-Black-Colleges-in/20522, accessed 04-17-19.
[21] "As Ayers Settlement Winds down, Anxiety Escalates at Universities," *Mississippi Today*, September 12, 2017, https://mississippitoday.org/2017/09/12/ayers-settlement-winds-anxiety-escalates-universities/, accessed. 5-13-19.

As 2022 draws nearer, the reality of even fewer resources to the state's under-resourced HBCUs has led many to ask what the fate of these institutions will be. As Adam Harris wrote in 2018 for the Chronicle:

> The brief period of optimism following the settlement has dissipated. Last year [2017], budget cuts forced Jackson State to lay off dozens of employees and consolidate programs. For Delta State University, the predominantly white institution, the accommodations were much less painful: It closed its golf course and transferred the maintenance employees to other positions on the campus...The Ayers settlement, for all its flaws, helped black colleges survive for another generation. Now, with the payouts scheduled to end in 2022, and those colleges still educating a disproportionate percentage of black students, a new generation of advocates will have to figure out what happens next. Do they file another lawsuit? Do they leave it alone and hope the state starts investing in public colleges again? For now, the colleges are bracing for the impact of the lost funding. Alcorn State 'has been actively exploring measures and options to sustain Ayers settlement-funded programs and personnel beyond the term of the agreement,' Marcus Ward says. 'Within a year, we intend to have a plan in place to hopefully retain as many of the viable academic programs and personnel as our projected budgets will afford.' Budget cuts over the past four years have only heightened the challenge of crafting that plan, he says.[22]

Enrollment[23]

Figure 5: IHL Calendar Year Enrollment 2000-2017



[22] Harris, op. cit., "They Wanted Desegregation," March 26, 2018.
[23] Data in this section from: IHL Enrollment Factbook: Ten Year Enrollment Comparison, http://www.mississippi.edu/research/downloads/2018enrollmentbook.pdf, accessed 03-20-19; System Profile, Board of Trustees of IHL, 2018, http://www.mississippi.edu/research/downloads/profile2017.pdf, accessed 03-20-19.

As Figure 5 above illustrates, total enrollment in IHL went up by between 0-4% a year between 2000 and 2017 for a total enrollment increase of 27%. Student demographic trends across IHL have also changed, particularly in the past ten years.

According to IHL data on the 79,193 students enrolled in IHL institutions during Fall 2018, 17% attended part-time, 59% were white, 32% Black, and 9% other (Black, white, and "other" are the three race/ethnicity categories IHL shares in publicly available reports); 68% were residents of Mississippi; 58% women and 42% men. Fourteen percent of all students were non-traditional or returning students.

Between 2008 and 2018 the number of white students enrolled in IHL went up by 15%, the number of students identifying as "Other" went up by 65%, and the number of Black students fell by 4%. And in an even shorter period, between 2011 and 2016, the total non-traditional student body in IHL decreased by over 25%.

These changes may be partially explained by aggressive recruitment of affluent out-of-state and international students. Recent research by New America uncovered how public institutions, including the University of Mississippi and Mississippi State University, have used large pots of their merit aid to attract high-achieving and affluent out-of-state students.[24]

To put the IHL enrollment increase over the last two decades in a larger context: the population of Mississippi grew by less than five percent over this period, while the population of the U.S. grew by 16%. Between 2010 and 2017, in particular, Mississippi's population went up by only 0.5% while that of the entire country rose by 6%.

Mississippi, unlike other states in the Southeast, has experienced an out migration of Millenial residents in recent years[25] and has had little Latinx/hispanic immigration or migration over the last two decades.[26] Therefore, the IHL increases in enrollment are not driven by population growth and have occurred despite a loss of millenials across the state.

Enrollment growth of 27% between 2000 and 2017 was at IHL institutions only. When the state's public community colleges and technical colleges are included, FTE enrollment went up by 18% across all the public postsecondary institutions over the same period.[27] As Table 1 below indicates, Mississippi's enrollment growth rate in public higher education over these years is below Georgia, Texas, Arkansas, Florida, and Kentucky's but above Alabama, West Virginia, Louisiana, and Tennessee's.

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[24] Karin Fischer, "State by State, Colleges Team Up to Recruit Students From Abroad," *The Chronicle of Higher Education*, April 3, 2011, https://www.chronicle.com/article/State-by-State-Colleges-Team/126982; Stephen Burd, "The Out-of-state Arms Race," New America Ed, May 2015, https://www.chronicle.com/blogs/ticker/files/2015/05/OutOfStateArmsRace.pdf, accessed 04-12-19.

[25] "States Where Each Generation of Americans Is Growing, Declining," 2017, Governing, https://www.governing.com/topics/urban/gov-state-population-changes-by-generation-census.html, accessed 03-19-19.

[26] See Mimmo Parisi, "Mississippi Fact Sheet," January 19, 2018, Department of Sociology Mississippi State University, https://www.nsparc.msstate.edu/wp-content/uploads/2018/02/Mississippi_Population_Fact_Sheet.pdf, accessed 02-28-19.

[27] Southern Regional Education Board Data, 2018 Factbook, "Total enrollment in Higher Education," https://www.sreb.org/post/total-enrollment-higher-education, accessed 02-28-19

Table 1: Enrollment Growth in Public Higher Education in the Southeast, 2000-2017[28]

Georgia	35%
Texas	34%
Arkansas	32%
Florida	30%
Kentucky	26%
North Carolina	26%
South Carolina	23%
Virginia	20%
Mississippi	18%
Alabama	16%
West Virginia	12%
Louisiana	10%
Tennessee	9%

IHL Enrollment Trends by Institution

Table 2 below provides additional information on each institution's recent enrollment trends, and 2018 student body by race/ethnicity. The largest primarily white R1s in the state—UM and MSU—are growing the most rapidly, while enrollment at USM, the more diverse R1 is falling.

Between 2000 and 2018 Mississippi State (MSU) grew by over 70%, causing it to shift from being classified as a mid-sized institution of 11,000 FTE students to a large university of over 19,000; The University of Mississippi (UM) also grew significantly—by 46%, from 14,000 FTE students to nearly 21,000. The much smaller Mississippi University for Women (MUW) grew by 27% over this time period. And at two of the state's HBCUs, Alcorn State University (DSU) and Jackson State (JSU), enrollment went up by 13% and 12%, respectively.

Mississippi Valley (MVSU), a rural HBCU has experienced rather steady enrollment decline over the last two decades for a total drop of 23%, while its close neighbor in the rural northwest, Delta State saw its enrollment flatline, with a 1% decline between 2000 and 2017. The University of Southern Mississippi (USM), a large institution, has experienced slow but steady enrollment decline over the last two decades, possibly due to outward migration of people from Southern Mississippi.

Table 2: IHL Enrollment & Race/Ethnicity Overview

IHL Institution	Total FTE enrollment, calendar year	Black (%)	White (%)	Other (%)	enrollment growth 2000-2017 (%)

[28] Ibid.

	2017				
University of Mississippi	20,987	12%	76%	12%	46%
Mississippi State University	19,433	18%	72%	10%	71%
University of Southern Mississippi	13,050	27%	63%	10%	-5%
Jackson State University	6,666	91%	6%	3%	12%
Alcorn State University	3,367	95%	3%	2%	13%
Delta State University	3,372	30%	61%	9%	-1%
Mississippi University for Women	2,589	36%	60%	5%	27%
Mississippi Valley State University	2,042	91%	2%	7%	-23%

Workforce[29]

As of fall 2017, IHL's nine institutions had 27,976 total employees (not including IHL offices), of which 21,091 or 67% were full time and 6,885 or 25% were part time. Of the total part-time employees, 3,352 or nearly half were graduate student workers.

Figure 6 below shows that the University of Mississippi Medical Center employs 10,077 or 41% of total IHL employees. Mississippi State University employs 6,024 people, 22% of the IHL total, University of Mississippi employs 4,466 people or 16% of the total, and University of Southern Mississippi employs 3,473 people or 12% of the total.

The other five institutions—JSU, ASU, DSU, MVSU, and MUW—are relatively small employers, with between 411 (MUW) employees and 1,431 (JSU).

[29] All analysis in this section from reports available at Mississippi Public Universities, Office of Strategic Research, http://www.mississippi.edu/research/IDP_Empl.asp, accessed 02-18-19. IHL System Profile, Board of Trustees of IHL, 2018, http://www.mississippi.edu/research/downloads/profile2017.pdf, accessed 03-20-19.

Figure 6: 2017 Number of IHL Employees by Institution

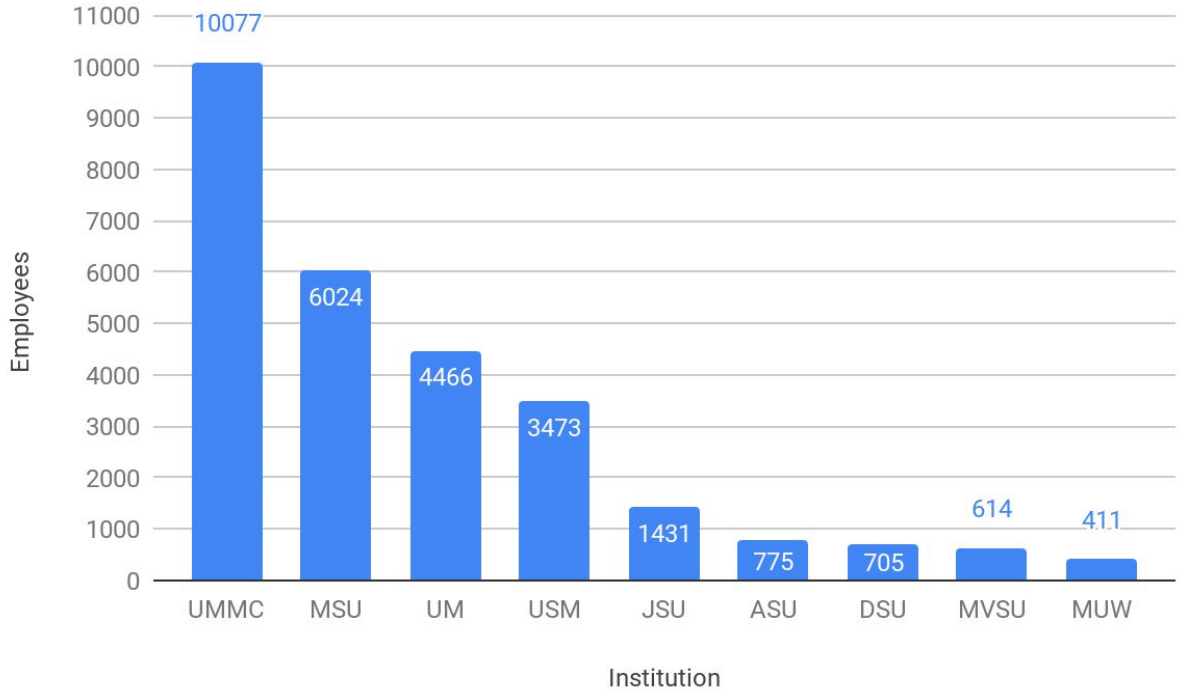
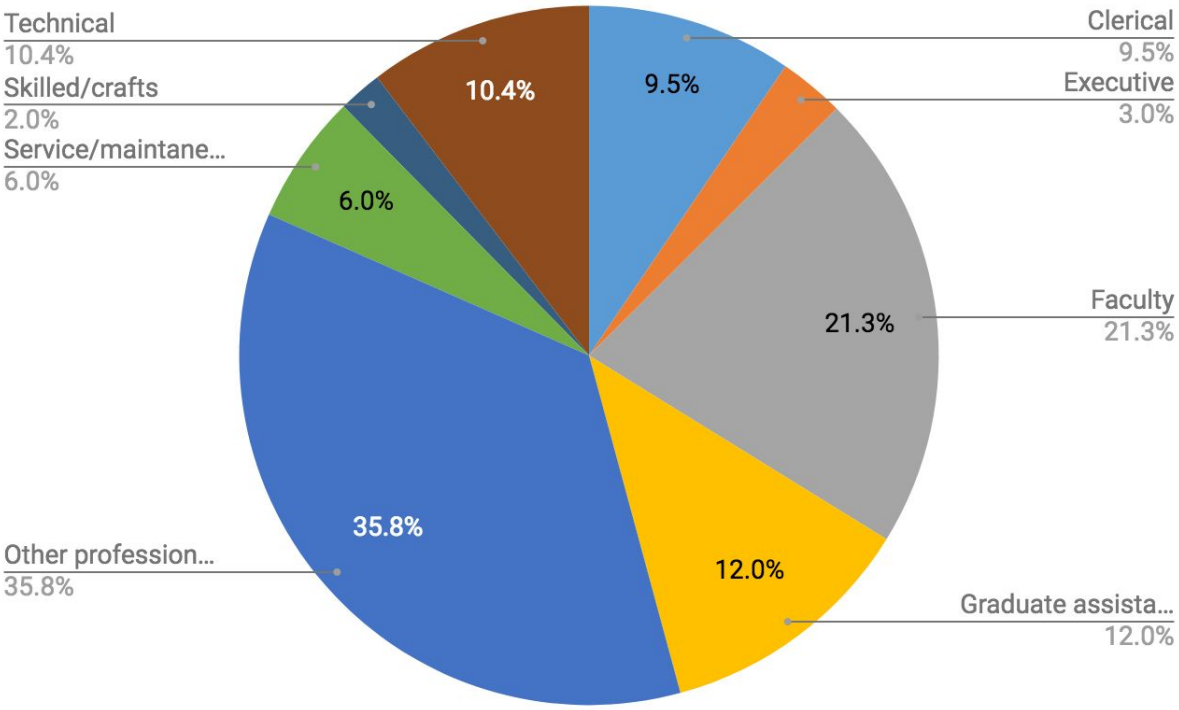


Figure 7 below presents the percentage of the workforce in eight different job classifications: executive, faculty, professionals (other, non-faculty), technical, clerical, service/maintenance, skilled crafts, and graduate assistants. The largest job category at IHL is "other professional," where 35% of the workforce is concentrated, another 21% are faculty, 12% graduate assistants, 10% technical employees, 9% clerical, 6% service, 3% executive and 2% skilled crafts.

The "other professional" category includes employees with advanced degrees working in the library, student services, as directors of academic centers, non-faculty medical practitioners (doctors, nurses) at the medical school, or as researchers at the large institutions. Technical employees in IT or radiology, for instance, have specified training and/or associate's degrees but the positions don't necessarily require 4-year degrees.

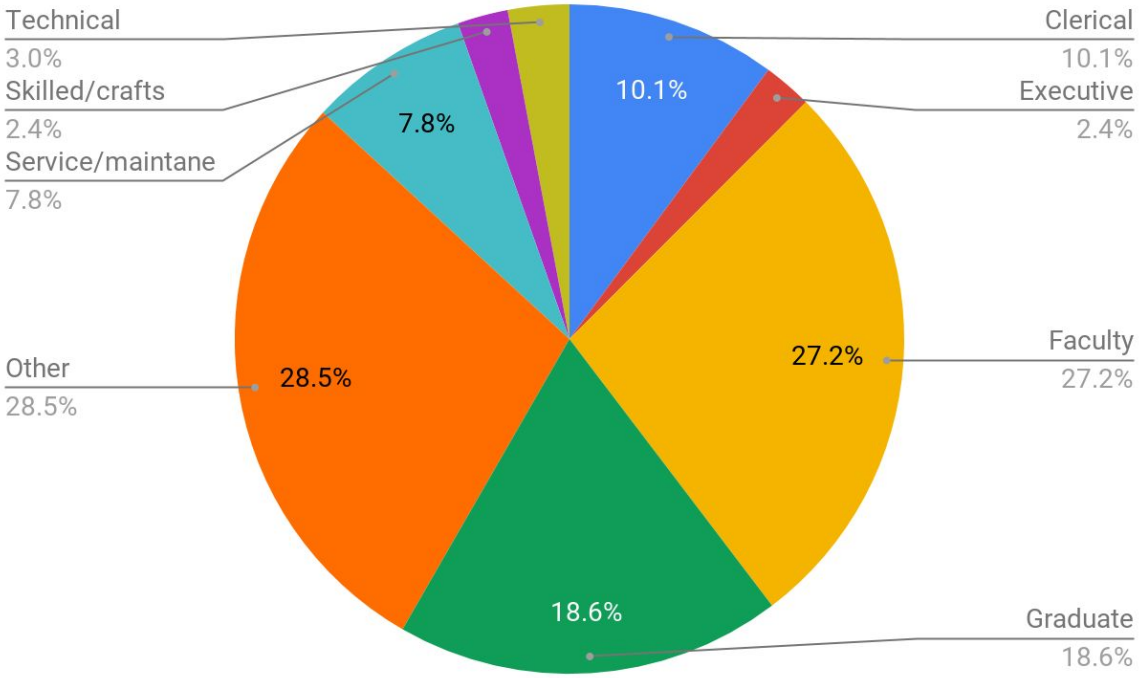
Because UMMC is the largest employer and a medical center, it effects the snapshot of the IHL total workforce. At UMMC, for instance, 49% of all employees are professional, non-faculty and 23% are technical, while only 11% are faculty and less than 1% are graduate assistants. This contrasts with the University of Mississippi, where faculty, others professionals, and graduate students each make up between 20-25% of the total workforce. The table below shows the breakdown of the workforce with and without UMMC included.

Figure 7: IHL employees by classification



In Figure 8 below IHL jobs are broken down by category with the Medical Center excluded. The workforce breaks down as follows: 28% other professional, 27% faculty, 19% graduate assistant, 10% Clerical, 8% Service, 3% technical, and about 2% executive and 2% skilled/crafts.

Figure 8: IHL employees by job type, excluding UMMC



Faculty by Status

Figure 9: IHL Instructional Faculty by Job Security Status

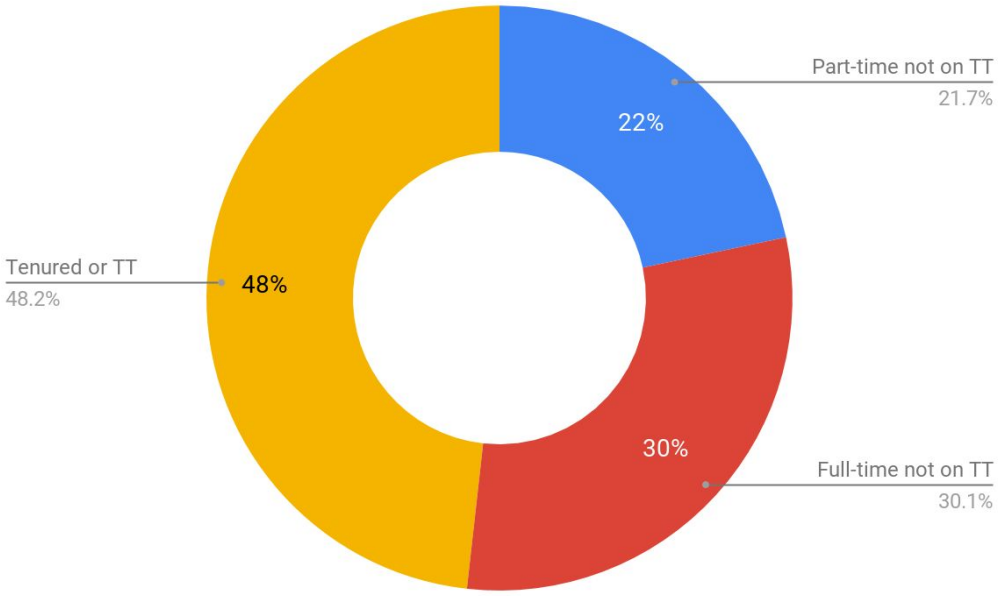


Figure 9 above presents the instructional faculty at IHL by status: part-time or full-time contingent or tenured or tenure-track. Forty-eight percent of faculty are tenured or on the tenure-track (TT) while the majority, 52% are contingent—part-time adjuncts and full-time

faculty not on the tenure-track. Of the contingent faculty, nearly 22% are part-time adjunct faculty, paid by course, typically at rates well below a living wage and without access to employer-sponsored benefits like health insurance.

Rise in administrators as a total portion of the workforce

Some researchers argue that the increase in higher education executives and their total compensation is evidence of the corporatization of higher education and one driver of high costs. Others argue that administrator compensation is not a significant cost driver--in their view, expensive personnel costs, including the rising costs of retirement benefits and particularly health care--explain the rising cost of higher education.[30]

Unfortunately, IHL data obscures the true number of administrators, reporting only on the number of executive positions. Positions such as directors are likely reported in the "other professional" categories while chairs of departments and deans are reported in faculty. This obscures the number of total executive and managerial positions at the institutions. If IHL trends are in line with other public higher education institutions, the percentage of executive and managerial positions is likely between 10-15% of the total workforce.

Employee Race/ethnicity

Data on all IHL employees by gender and race/ethnicity is collected and shared by IHL's Office of Strategic Research. Across the nearly 28,000 employees, 61% are women and 39% are men. As Table 3 below reflects, segregation by gender is pronounced in job categories traditionally held by either men or women, such as clerical work and skilled trades. There are also more women than men working in the "technical/paraprofessional" and "other professional" categories, where positions in the libraries and student support roles, such as academic advisors, have also traditionally been held by women.

Table 3: IHL employees by category and gender

	Men	Women
Executive	45%	55%
Faculty	52%	48%
Other professionals	32%	68%
Technical/paraprofessional	31%	69%
Clerical	9%	91%
Skilled Crafts	97%	3%
Service	57%	43%
Grad assistants	50%	50%

Across IHL, 62% of all employees are white, 29% Black, and 9% "other" (this is based on IHL's limited three race categories: Black, white, "other").

[30] Kellie Woodhouse, "Report Says Administrative Bloat, Construction Booms Not Largely Responsible for Tuition Increases," *Inside Higher Ed*, May 5, 2015, https://www.insidehighered.com/news/2015/05/05/report-says-administrative-bloat-construction-booms-not-largely-responsible-tuition, accessed 10/07/18.

However, employee race/ethnicity varies dramatically by institution and at some institutions by job category. These differences are worth noting. As Table 4 below shows, at HBCUs, the overwhelming majority of employees across categories are Black. Faculty members and graduate students are the only categories with a significant number of employees whose race/ethnicity is white or "other."

Table 4: IHL HBCU Employees by Category and Race/Ethnicity

	Alcorn State University			Jackson State University			Mississippi Valley State University		
	White	Black	Other	White	Black	Other	White	Black	Other
Executive	7%	91%	2%	0%	94%	6%	0%	98%	2%
Faculty	16%	71%	13%	18%	68%	15%	13%	74%	13%
Other Professionals	7%	91%	2%	7%	89%	4%	2%	93%	6%
Technical/paraprofessional	5%	92%	3%	0%	88%	13%	4%	96%	0%
Clerical	2%	96%	2%	4%	96%	0%	0%	96%	4%
Skilled Crafts	5%	95%	0%	5%	95%	0%	0%	100%	0%
Service/Maintenance	1%	98%	1%	2%	97%	1%	1%	97%	2%
Graduate assistants	0%	60%	40%	19%	76%	5%	8%	77%	15%

The state's three largest institutions, UM, MSU, and USM, are predominantly white. However, the majority of Service and Maintenance workers at all three institutions are Black, while between 23-26% of clerical workers at the three institutions are Black.

Table 5: UM, USM, and MSU Employees by Category and Race/Ethnicity

	University of Mississippi			University of Southern Mississippi			Mississippi State University		
	White	Black	Other	White	Black	Other	White	Black	Other
Executive	84%	12%	4%	91%	6%	3%	93%	4%	3%
Faculty	81%	6%	13%	85%	5%	10%	79%	5%	16%
Other Professionals	75%	16%	9%	82%	13%	5%	81%	11%	8%
Technical/paraprofessional	83%	13%	5%	91%	8%	2%	87%	10%	3%
Clerical	73%	26%	1%	74%	25%	2%	75%	23%	3%
Skilled Crafts	84%	15%	1%	87%	10%	3%	85%	13%	2%
Service/Maintenance	41%	55%	3%	49%	50%	2%	32%	66%	2%
Graduate assistants	63%	11%	26%	71%	9%	20%	59%	10%	32%

Employee race/ethnicity trends at the two smaller non-HBCU institutions, DSU and MUW mirror the demographics at the three large predominantly white institutions.

The University of Mississippi Medical Center with an employee pool that is 64% white, 30% Black, and 6% "other," is more diverse than the other predominantly-white IHL institutions but still far from representative of the population of Jackson, which is about 70% Black, 28% white and 2% "other."[31]

Lack of faculty diversity at the three largest institutions may be of particular concern as a growing body of research shows that a lack of teacher diversity directly and negatively affects student learning outcomes, particularly for students of color.[32]

Pay

While not much granular data is available on pay across IHL, some institutions such as the University of Mississippi publish their minimum and maximum pay rates per job title, indicating that an estimated 20-25% of full-time employees work in positions where the maximum pay rate is under a living wage of $15/hour.[33]

In addition, the IHL published average faculty salaries in their annual profiles, comparing them to the average across the Southern Regional Education Board (SREB) member states. Between 2008 and 2018 the disparity between average faculty salaries in Mississippi and the SREB region has increased. In FY08, faculty members in the SREB made an average of $8,605 more than Mississippi faculty members. By FY17, that disparity had increased to $9,542.[34]

Governance

Trustees of IHL

IHL gets its governing powers from the state Constitution, which outlines that the "Board of Trustees of State Institutions of Higher Learning shall manage and control" the eight 4-year public institutions. Trustees are appointed by the governor with discussion and approval from the senate. Appointments are made by the standing governor on a rolling base when members' 12-year term expires. All 12 current board members were appointed by governor Phil Bryant who has been in office since 2012.[35]

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[31] US Census, Jackson, MS, https://www.census.gov/quickfacts/jacksoncitymississippi, accessed 05-14-19.
[32] See, for instance: Emily Tate, "Study Finds Negative Diversity Experiences Affect Student Learning," February 6, 2017, https://www.insidehighered.com/news/2017/02/06/study-finds-negative-diversity-experiences-affect-student-learning, accessed October 24, 2018; Liberal Education, "'Someone Who Looks Like Me': Promoting the Success of Students of Color by Promoting the Success of Faculty of Color," Association of American Colleges & Universities, May 25, 2017, https://www.aacu.org/liberaleducation/2017/spring/benitez, accessed 11/12/18.
[33] Analysis of number of UM jobs by category: http://www.mississippi.edu/research/IDP_Empl.asp and UM maximum pay rates, available: http://hr.olemiss.edu/compensation/job-descriptions/.
[34] IHL Profile, 2017, http://www.mississippi.edu/research/downloads/profile2017.pdp, accessed 05-16-19.
[35] "College Board, Universities Remain Vital as Wave of Leadership Changes Hits," Mississippi Today, May 17, 2018, https://mississippitoday.org/2018/05/17/college-board-universities-remain-vital-as-wave-of-leadership-changes-hits/.

While the constitution gives management authority to the board, it is silent on other matters except for giving the legislature direct power to "consolidate, abolish or change the status of the institutions that are subject to the board."[36]

IHL board status is traditionally granted to the Governor's friends and allies. Of the current 12-member board only two trustees are women, Anne Lamar and Jeanne Luckey, and only one trustee, Steve Cunningham--an alum of Jackson State--has a direct tie to a public HBCU.[37] The original intent of the constitutionally-created board, established in the 1940's, was to limit gubernatorial control over higher education. At that time governors could not serve more than one term and IHL board of trustee terms were 12 years.[38] Since 2003 governors have been able to serve two consecutive terms. That same year the legislature changed the IHL Board appointment terms to 9 years. As a result, the governor can exert more significant influence over higher education in the state.[39]

Currently the 12 board members are majority business owners and developers, including Jeanne Luckey, "owner of JCL LLC, a real estate holding company and Magnolia State Development Group" and Bruce Martin, "president/sole owner of Meyer & Rosenbaum, Inc., a leading insurance agency in the state."[40] Due to the importance of the Medical center, the board includes four medical professionals.[41]

In Mississippi—unlike in Georgia where there is also a centralized governance structure—the tone of IHL reports, financial documents, and even the Frequently Asked Questions on the website reflect tension and disagreement between the legislature and IHL over appropriate levels of state funding for higher education. For instance, in 2017 financial documents IHL includes a narrative about its overall economic outlook:

> In reality, while the anticipated tuition and auxiliary revenue gains did actually materialize, external funding fell short of budgeted expectations. For fiscal year 2018, general education funding from the state will decrease 5%. Once again, the IHL System will continue to rely upon increases in tuition and auxiliary revenues to provide the necessary funds for sustained excellence...[42]

The IHL Offices

The IHL Commissioner and their office staff are responsible for administering the board's policies. Al Rankins Jr. is the current commissioner, having been appointed by the Board of Trustees in 2018. Rankins is the first African American to be elected to the post. Between 2014 and 2018 he was president of Alcorn State University and before that he held posts as deputy commissioner of higher education and professor in the Department of Plant and Soil Science at Mississippi State University, where he received his master's and doctoral degrees. Rankins was

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[36] Michael Waters, "Alabama's Framework for Public Education - A Survey of the Education Provisions in Alabama's Constitution of 1901," 2003, *Cumberland Law Review*, 33.
[37] Ibid and "Bryant Criticized for Latest College Board Appointees," *The Clarion Ledger*, March 26, 2015, https://www.clarionledger.com/story/news/2015/03/26/bryant-criticized-latest-college-board-apppointees/70527198/, accessed 05-14-19.
[38] Ibid.
[39] Ibid.
[40] See board member bios: http://www.mississippi.edu/board/
[41] Ibid.
[42] See Institutions of Higher Learning, Financial Statements FY17, "Economic Outlook," 15.

also acting president of Mississippi Valley State University in 2012.[43] Just after Rankins' appointment, the Jackson Advocate published an article celebrating the appointment of an African American commissioner who has spent time in both HBCUs and at Mississippi State, noting also that:

> He is the first African American chosen to serve as commissioner. In this sense, Rankins is perhaps the most experienced commissioner named to date, well-suited to handle the job. At the same time, he will perhaps be under more scrutiny than any previous commissioner - scrutinized by some to determine if he is competent; by some to see if he can assist or protect the interests of the black colleges; some to see if he will tow the line of the conservative white establishment.[44]

Today, the Commissioner's Office has a staff of 79 across 12 departments: Administration, Business and Economic Development, Communications, Finance, Governmental Relations, Internal Audit, Legal Affairs, Policy and Strategic Initiatives, Real Estate & Facilities, Strategic Research, Student Financial Aid, University Research Center (State Economist). The University Research Center is housed in IHL but employs six research economists that conduct research on state economic and tax policy for the State of Mississippi.[45]

While IHL holds centralized power over management of the 8 institutions, the governor and legislature also exert influence. The governor can sway any number of decisions or get support for pet projects through direct relationships with the board members. In addition to controlling state funds, the legislature—often leaning more conservative than IHL's board members—passes (or attempts to pass) legislation that impacts IHL (e.g. campus carry legislation). If the centralized system is anything like Georgia's, all of these key decision makers— including campus administration—are likely to point to one another to say that the decision is out of their hands when called upon to make a change requested by the union.

State Government

Mississippi state government is currently controlled by a Republican House, Senate, and Governor. All three exert influence over higher education in the state to some degree.

As of the 2019 legislative session, with 122 seats in the State House, Mississippi Republicans had a majority with 76 seats to the Democrats' 46. The 52 State Senate seats were held by 28 Republicans and 23 Democrats.

In November 2019 Mississippi will elect a new governor and vote on state legislators. To drop Republican control below 60% in the two chambers, Democrats will have to win 10 seats in the House and 5 seats in the Senate. Without significant efforts to redistrict, Republican gerrymandered state districts will make that a challenge.[46] However, with strong grassroots organizing it might be possible, at least to unseat the Republican super majority in one or both

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[43] IHL, Rankins biography, http://www.ihl.state.ms.us/ieo/downloads/arankins.pdf, accessed 3-27-19.
[44] Ivory Phillips, *Jackson Advocate*, "Breaking News that Bears Watching - in Jackson, MS and across the country," March 29, 2018.
[45] University Research Center, http://www.mississippi.edu/urc/, accessed 03-27-19.
[46] See, for instance: "Federal Judge Says 102 Mile-Long District Violates Voting Rights Act, Orders Map Redrawn | Mississippi Today," https://mississippitoday.org/2019/02/13/federal-judge-says-102-mile-long-district-violates-voting-rights-act-orders-map-redrawn/, accessed 03-27-19.

chambers. For higher education, this could mean significant change, not only for the budget but also the possibility of rolling back recent extreme conservative legislation, such as the 2017 campus carry bill.

A recent poll by Millsaps College/Chism Strategies "State of the State Survey" suggests that Mississippi residents are largely supportive of more progressive policies. For instance, the survey revealed that: "A majority of Mississippi voters (65%) think that funding for the state's public schools is too low, cutting across lines of party, race, gender, educational attainment, and age."[47]

As mentioned previously, each year policy is introduced that would place more control over IHL institutions—particularly their budgets—in the hands of legislators. For instance, in 2018 Representative Richard Bennett attempted to pass House Bill 198, which would have prohibited the use of state funds on remedial education in higher education.[48]

Conflicts over the funding model and the level of state support to higher education are areas of ongoing disagreement between the legislature, IHL board members, and institutions.[49] In 2004 the IHL proposed a change to the funding model from "constant," or enrollment-based funding to a hybrid model, part enrollment-based, part outcomes-based. It was phased in over six years, between 2009 and 2014.[50]

Each year IHL staff and institutional leaders directly lobby the legislators and governor on the budget and policy. As state money has declined, institutions' lobbying budgets have gone up. During the 2019 session a story about university lobbying efforts questioned the ethics and efficacy of these efforts. Luke Ramseth and Geoff Pender of the Clarion Ledger write:

> These public universities lavish money on public officials in hopes of getting more public dollars. And they spend more than most any other special interest groups seeking influence in the Capitol. Last year, the state's three largest universities showered officials with $58,000 in freebies — about three times more than Mississippi Power, Energy and electric co-op lobbyists gave out combined. In Mississippi it's all completely legal. The state's lack of restrictions on gifts to public officials — restrictions many other

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[47] "Mississippians Find Consensus on Major Policy Issues as Legislative Session Begins," http://www.millsaps.edu/major-happenings/major-news/posts/2019-mississippians-find-consensus-major-policy-Issues.html, accessed 05-01-19.

[48] Mississippi Legislature, 2018, House Bill 198, http://billstatus.ls.state.ms.us/2018/pdf/history/HB/HB0198.xml, accessed 5-13-19.

[49] See, for instance: "University Lobbies State Legislature for Additional Funding," *The Daily Mississippian*, February 19, 2019, https://thedmonline.com/university-lobbies-state-legislature-additional-funding/, accessed 05-23-19; ITS Web Development Team, "Keenum Shares Higher Education Funding Concerns with IHL Leadership," Mississippi State University, April 29, 2016, https://www.msstate.edu/newsroom/article/2016/04/keenum-shares-higher-education-funding-concerns-ihl-leadership/, accessed 04-13-19.

[50] See, Institutions of Higher Learning, "Performance Allocation Model Summary," http://www.mississippi.edu/downloads/ihl_130418-2.pdf, accessed 05-23-19; and, The Mississippi Legislature, "An Analysis of the Allocation of FY 2009 State Support Funds to Mississippi's Institutions of Higher Learning," https://www.peer.ms.gov/Reports/reports/516.html, accessed 05-23-19.

states have — means elected officials, their families and even friends can benefit from unlimited freebies without worry.[51]

Higher Education Legislative Committees[52]

While the election may change the makeup of the state legislature, the list of 2018 members of the House and Senate committees on "Universities and Colleges" and some key legislation they passed this past year may still offer some insight to the legislative context.

House of Representatives

The House of Representatives' Universities and Colleges committee has 27 seats. All members are appointed by the Speaker of the House. After the adoption of House Rules each session, House committees are appointed based on relationships to the governor and powerful legislators, their stated preferences, seniority, background and geographic location.

In 2019 15 Republicans, including committee chair Nolan Mettental, and 12 Democrats, including vice chair Gregory Holloway were on the committee. Committee members, their parties, and districts are listed below.

2019 Representatives on the Universities and Colleges Committee:

- Nolan Mettetal, Republican, District 10, Chair
- Shane Aguirre, Republican, District 17
- William Tracy Arnold, Republican, District 3
- Charles Jim Beckett, Republican, District 23
- Donnie Bell, Republican, District 21
- Carolyn Crawford, Republican, District 121
- Dana Criswell, Republican, District 6
- Steve Hopkins, Republican, District 7
- Mac Huddleston, Republican, District 15
- John Thomas "Trey" Lamar, III, Republican, District 8
- Missy McGee, Republican, District 102
- Roun McNeal, Republican, District 105
- Donnie Scoggin, Republican, District 89
- Jody Steverson, Republican, District 4
- Stacey Wilkes, Republican, District 108
- Gregory Holloway, Democrat, District 76, Vice Chair
- Jeramey Anderson, Democrat, District 110
- David Baria, Democrat, District 122
- Credell Calhoun, Democrat, District 68
- Alyce G. Clarke, Democrat, District 69
- Bob Evans, Democrat, District 91
- John G. Faulkner, Democrat, District 5

[51] "Mississippi Universities Spend Millions on Lobbying Lawmakers, Gifts," accessed May 13, 2019, https://www.clarionledger.com/story/news/politics/2019/04/10/mississippi-universities-lobbying-gifts-elected-officials-lawmakers/2980125002/.

[52] All overview analysis on 2019 bills introduced in this section from: House Committee Universities and Colleges, 2019, http://billstatus.ls.state.ms.us/2019/pdf/house_cmtes/uc.xml and See Senate University and Colleges Committee, 2019, http://billstatus.ls.state.ms.us/2019/pdf/senate_cmtes/uc.xml, accessed 05-13-19.

- Lataisha Jackson, Democrat, District 11
- Orlando Paden, Democrat, District 26
- Rufus Straughter, Democrat, District 51
- Cheikh Taylor, Democrat, District 38
- Charles Young, Jr., Democrat, District 82

During the 2019 session thirty-five bills were introduced in the committee and all died except for one introduced by Republican Richard Bennett (not on the Universities and Colleges committee) and amended in the senate. Bennett's bill rewrote the rules for appointment of community college boards to remove the requirement that the county superintendent automatically serve.[53]

Committee members introducing legislation included Republicans William Arnold, Donnie Bell, Steve Hopkins, Mac Huddleston, and Trey Lamar and Democrats Jeramey Anderson, Alyce Clark, John Faulkner, Orlando Paden, and Charles Young. Each of the aforementioned representatives introduced one bill, except for Lamar who introduced three. Lamar's bills included one to provide additional state scholarship assistance to student athletes[54] and one to encourage all IHL and community college institutions to utilize open-source software in software development initiatives.[55]

Most bills came from legislators not on the committee. For instance, Democrat Tom Miles from District 75 introduced two bills, one to revise the requirements of the teacher's loan forgiveness program and another to change the scholarship assistance program for the National Guard. Kathy Sikes, Democrat in District 70, introduced three bills: one to require that an alum from each of the three HBCUs sits on the board of the Institutions of Higher Learning, another to increase the funding for community and junior colleges and to raise salaries at all public higher education institutions, and the third to allow undocumented students to pay in-state tuition.

Senate

The Universities and Colleges senate committee has 13 seats. All Senate committee members are appointed by the governor. During the 2019 session ten Republicans, including chair Josh Harkins, and three Democrats, including vice chair Hillman Terome Frazier were on the committee. The 2019 members, their parties, and districts are listed below.

2019 Senators on the Universities and Colleges Committee:

- Josh Harkins, Republican, District 20, Chair
- Terry C. Burton, Republican, District 31
- Chris Caughman, Republican, District 35
- Joey Fillingane, Republican, District 41
- W. Briggs Hopson III, Republican, District 23
- Gary Jackson, Republican, District 15
- David Parker, Republican, District 2
- John A. Polk, Republican, District 44
- Gray Tollison, Republican, District 9

[53] House Bill 1247, 2019, http://billstatus.ls.state.ms.us/2019/pdf/history/HB/HB1247.xml, accessed 05-23-19.
[54] House Bill 821, 2019, http://billstatus.ls.state.ms.us/2019/pdf/history/HB/HB0821.xml, accessed 05-13-19.
[55] House Bill 960, 2019, http://billstatus.ls.state.ms.us/2019/pdf/history/HB/HB0960.xml, accessed 05-13-19.

- Neil S. Whaley, Republican, District 10
- Hillman Terome Frazier, Democrat, Vice-chair
- J. P. Wilemon, Jr., Democrat, District 5
- Tammy Witherspoon, Democrat, District 38

During the 2019 session twenty-two bills were introduced in the committee and five were ultimately passed by the governor. Of those that passed, three were introduced by the chair of the committee, Republican John Harkins, and two by Republican Charles Younger. One of the bills Harkins introduced is of note as it will exempt IHL architectural and engineering construction and renovation projects from oversight by the Department of Finance and Administration whenever the board of trustees of IHL "elects to self administer a project." Younger's two bills focused on higher education support for military veterans and their families.

Democrats on the committee, Witherspoon and Wilemon introduced two pieces of legislation, which both died in committee. Witherspoon introduced an act to establish a program to provide single mothers with financial aid to complete degrees at public institutions.[56] Wilemon's legislation attempted to amend a state requirement that students participating in sponsored Southern Regional Education Board (SREB) optometry programs are required to return to the state to practice after graduation.[57]

Legal

As covered in other sections in this report, the Ayers case and linked lawsuits have created a long civil rights legal history in public education in the state. More recently, IHL institutions have been party on a number of cases, most of them connected to employment. Below are overviews of recent trends in case history for the University of Mississippi, Mississippi State University, and the University of Southern Mississippi.

According to Bloomberg legal data, between 2008 and 2018, The University of Mississippi was involved in 27 lawsuits; about 70% were employment cases, 25% were other civil rights, and 5% were anti-trust; all the others are split into small categories across contracts and Family Medical Leave Act (FMLA) [58] Most of these cases were decided on the side of the University or settled out of court. For instance, in 2012 a former business manager at the University of Mississippi sued the institution for discrimination based on race and the District Court decided on the side of the University.[59] In a 2011 ADA disability accommodation suit, the District Court and the U.S. Court of Appeals also sided with the institution.[60]

Data on Mississippi State University legal cases includes thirty cases over the past decade, with 70% of the cases focused on employment issues, 10% on civil rights, 10% insurance, and 10% personal injury.

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[56] Senate Bill 2329, 2019, http://billstatus.ls.state.ms.us/documents/2019/pdf/SB/2300-2399/SB2329IN.pdf, accessed 05-23-19; Senate Bill 2016, 2019, http://billstatus.ls.state.ms.us/2019/pdf/history/SB/SB2061.xml, accessed 05-23-19.
[57] Senate Bill 2061, 2019, http://billstatus.ls.state.ms.us/2019/pdf/history/SB/SB2061.xml, accessed 05-23-19.
[58] Bloomberg Law, University of Mississippi, Litigation Analytics, accessed 05-07-19.
[59] Megan Wright, "Ex-Business Manager Files Lawsuit against Ole Miss," Mississippi Business Journal (blog), March 14, 2012, https://msbusiness.com/2012/03/ex-business-manager-files-lawsuit-against-ole-miss/.
[60] Kobaisy v. University of Mississippi, et al., No. 3:11CV151 (N.D. Miss. (08/21/14).

At the University of Southern Mississippi, almost 90% of the twenty-four cases tried in the past decade were employment cases, while 10% were education cases. One important employment case at the University of Southern Mississippi is worth reviewing in detail.

In 2004 two AAUP members at the University of Southern Mississippi, Gary Stringer and Frank Glamser, publicly shared evidence that a vice president at the University had false information about her employment history on her resume. In response the institution issued them a warning and searched and monitored their email accounts. The administration used information from their emails to terminate the two faculty members on the grounds that they: made "dishonest statements," misused state property, disclosed the vice president's Social Security number, and "undermined confidence in the university administration." Ultimately, the two faculty members (both near retirement) took a settlement deal accepting pay for two more years on the condition that they no longer teach any courses and agree not to publicly criticize the administration.[61]

Another 1993 Mississippi Supreme Court case involving IHL is also of note. It was brought by a former State Representative, J.B. Van Slyke. Van Slyke argued that the structure of IHL was unconstitutional on a number of counts, but particularly because it is run as "an autonomous fourth branch of government" and is acting in a legislative rather than executive capacity. Accordingly, Van Slyke argued, the board members should be elected rather than appointed by the governor. The final decision staunchly defended the current structure of IHL. Nonetheless, the arguments provide insight into the perspective of the court at that time, the legal questions under consideration, and IHL's history and governing role:

> The constitutional amendment which made the Board of Trustees a constitutional body was first approved by the Legislature and the electorate in 1944. State ex rel. Allain v. Board of Trustees of Institutions of Higher Learning, 387 So. 2d 89, 91 (Miss. 1980). As we further explained in Allain:
>
> > A general history of the Institutions of Higher Learning reveals that for many years those institutions had been "political footballs" of the politicians then in power. At one time, the accreditation was taken from most of the institutions because of the action of whomever was in power politically at that time. By the year 1944, the people of the state and the members of the Legislature were ready to cure the previous political diseases
>
> ...The enumeration of the Board of Trustees' powers and duties contained within the constitution and the statutes support the Chancellor's finding that it is intended to perform executive, not legislative, functions. Both the constitution and Miss. Code Ann. § 37-101-1 place the state's institutions of higher learning under the "management and control" of the Board of Trustees. As cited in Issue III(B), supra, the constitution empowers the Board of Trustees to elect the heads of the state colleges and universities and to contract deans, professors, teaching staff and administrative employees.

[61] Scott Smallwood, "2 Professors at U. of Southern Mississippi Settle for Pay Without Jobs," *The Chronicle of Higher Education*, 05-14-04, https://www.chronicle.com/article/2-Professors-at-U-of-Southern/16476, accessed 04-17-19.

> Notably, § 213-A reserves for the legislature the power and authority to abolish or consolidate any of the subject institutions.[62]

Media

Aggregate local and national headlines on higher education in Mississippi over the last fifty years are focused on segregation and racism. First, the Ayers case was the subject of headlines for decades. Then, more recently, controversy over confederate mascots, monuments, and racism continue to place the state's higher education institutions in national headlines. A few notable labor and governance issues have also made national news. Highlights from Ayers coverage is covered in the Ayers Settlement section beginning on page 7. Additionally, below are a collection of important historical events covered by the media in the past twenty years, from most recent to oldest.

In March 2019 University of Mississippi announced they would relocate a confederate war monument currently located at the center of campus to a confederate cemetery a 10-minute walk from campus.[63] This was after a right-wing pro-confederate rally in February and, in response, the week after Basketball players took a knee in protest.[64] This waterfall of recent events came after years of debate, widely covered public incidents surrounding the monument on campus, and local organizing tied to the national groundswell of racial justice organizing post-Ferguson.

In November 2018, University of Mississippi's Chancellor, Jeffrey Vitter stepped down after a series of high-profile events: a professor's tweet on interrupting right-wing politicians' meals went viral, an alum and prominent donor, Ed Meek, made racist comments on social media, a report criticized the university's response to racism on campus, and the entire community was embroiled in the debate over the confederate monument.[65] During these events Vitter was often defensive or critical when charges of institutional racism came up and was not supportive of faculty members' academic freedom or speech rights.

In a November 2018 article in the Chronicle of Higher Education, "A 'Long Overdue Conversation': Do Universities That Benefited From Slavery Owe a Debt to Black Colleges? Marc Perry suggests they do. He outlined the University's connections to slavery:

> Slaves built the first buildings on its Oxford campus. Its nickname, Ole Miss, is a term that slaves used for the wife of a plantation owner. More than 95 percent of its first students either owned slaves or came from slaveholding families, according to new research by Anne Twitty, a historian at the university. That wealth, a collective total of some 4,647 slaves, underwrote the tuition and fees of those students. Slavery had made Mississippi one of the richest states in the union by 1860. The public flagship weaned on

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[62] Van Slyke v. Board of Trustees, February 11, 1993, No. 89-CA-0007., Supreme Court of Mississippi.
[63] Emily S. Rueb, "Ole Miss Student and Faculty Groups Vote Unanimously to Relocate Confederate Statue," *The New York Times*, March 8, 2019, sec. U.S., https://www.nytimes.com/2019/03/08/us/ole-miss-confederate-statue.html.
[64] "Ole Miss Players Kneel in Response to Pro-Confederate Rally - The New York Times," accessed April 18, 2019, https://www.nytimes.com/2019/02/23/sports/ole-miss-anthem-protest-kneel.html.
[65] Emma Pettit, "Ole Miss's Chancellor Will Step Down More Than a Year Before His Contract Expires," *The Chronicle of Higher Education*, November 9, 2018, https://www.chronicle.com/article/Ole-Miss-s-Chancellor-Will/245056.

its profits now commands a $715-million endowment and recently ascended to the elite upper tier of R-1 research universities.[66]

In September 2018 the Chronicle covered successful efforts by non-tenure track faculty at the University of Mississippi to change faculty senate bylaws so that part-time faculty members can serve on the senate.[67]

In 2015, IHL decided to dismiss then-chancellor of the University of Mississippi, Daniel Jones, and then reconsidered their decision after public outcry. Ultimately Jones' dismissal stuck, but it was contentious. IHL claimed they were letting Jones go because of mismanagement of the medical center, but other narratives suggest it was his claim to autonomy over operational decisions that frustrated board members. The case is a good example of the push and pull between IHL, individual institutional leaders, and the larger university/public community. A March 2015 Chronicle article quotes Jones on the dismissal: "This is a board that prefers not to have university executives disagreeing with them," the chancellor said. "They prefer a quiet relationship."[68]

In February, 2014 three freshman at the University of Mississippi and members of the national Sigma Phi Epsilon organization were expelled from the frat after a noose was placed around the neck of a statue of James Meridith along with a Confederate flag. The students refused to speak with the police.[69]

In November 2012 the Chancellor at the University of Mississippi condemned students who used racial epithets to refer to President Obama during a protest just after the election results were announced. According to the university, four-hundred students attended the event and two students were arrested for disorderly conduct.[70]

In 2009 three faculty members at the University of Southern Mississippi in the Department of Technical and Occupational Education were laid off. Facing budget cuts, IHL and the institution had decided to cut the academic program entirely. While tenure in Mississippi gives faculty members recourse when they are terminated because they violated specific policies, faculty members in the department had no formal means of appealing the cuts nor opportunities to apply for specific positions in other departments.[71]

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[66] Marc Parry, "A 'Long Overdue Conversation': Do Universities That Benefited From Slavery Owe a Debt to Black Colleges?," *The Chronicle of Higher Education*, November 28, 2018, https://www.chronicle.com/article/A-Long-Overdue/245190.

[67] Andy Tsubasa Field, "'We Are the Most At-Risk People on Campus.' Non-Tenured Instructors Can Now Serve in U. of Mississippi's Faculty Senate.," The Chronicle of Higher Education, September 18, 2018, https://www.chronicle.com/article/We-Are-the-Most-At-Risk/244557.

[68] Emma Pettit, "Ole Miss's Chancellor Will Step Down More Than a Year Before His Contract Expires," The Chronicle of Higher Education, November 9, 2018, https://www.chronicle.com/article/Ole-Miss-s-Chancellor-Will/245056.

[69] "3 booted from Ole Miss frat, chapter suspended," USA Today, February 21, 2014, https://www.usatoday.com/story/news/nation/2014/02/21/university-mississippi-james-meredith-statue/5709979/, accessed 04-17/19.

[70] Robbie Brown, "Anti-Obama Protest at University of Mississippi Turns Unruly," *The New York Times*, November 7, 2012, sec. U.S., https://www.nytimes.com/2012/11/08/us/anti-obama-protest-at-university-of-mississippi-turns-unruly.html.

[71] David Glenn, "When Tenured Professors Are Laid Off, What Recourse?", The Chronicle of Higher Education, 03-07-09, https://www.chronicle.com/article/When-Tenured-Professors-Are/48606, accessed 04-17-19.

In 2004 John Owner, a retired professor, wrote an opinion piece about the dismissal of Stringer and Glamser (detailed in the Legal Section on page 26). He warned that Mississippi's climate is unhealthy for academics:

> From the vantage point of a retired professor who lives in Hattiesburg, Miss., and who has closely followed the current crisis at the University of Southern Mississippi, I have concluded that it would be highly inadvisable for anyone at present to accept academic employment in the state. To begin with, the terms for dismissal at Southern Mississippi and other public universities in the state are so vague and all-encompassing as effectively to deprive the faculty member of any real protection from tenure...When to the preceding is added the ultraconservative political and social philosophy of many of those in positions of power in Mississippi, and the current budgetary crisis in the state government, one must conclude that Mississippi at present is no place in which to pursue an academic career.[72]

When the specific Ayers remedies were settled in the lower court in 2001 a Chronicle piece covered the tension of the decision:

> Mississippi and federal officials are rejoicing over the signing of a $503-million plan to end the state's 26-year-old college desegregation case, saying that a settlement would help Mississippi move beyond its bitter past and improve postsecondary education for all of its residents. However, the settlement, negotiated last week, is already proving divisive. Some plaintiffs in the lawsuit, as well as faculty members, students, and alumni of Mississippi's three historically black universities, argue that the plan fails to significantly boost the roles of those institutions or improve college access for Mississippi's black students. Many of the critics have pledged to fight the plan in court.[73]

In 1999, after the Fordice decision but before the Ayers settlement, a group of Black Mississippians asked a federal judge to stop a proposed $2 million expansion of the University of Southern Mississippi, arguing that it would divert funds from public black colleges and promote racial segregation.[74] Ultimately, the case was decided on the side of the state, but the impetus reveals the level of tension over public resources spent on higher education in the state.

Financials

Overview

Overall, IHL's financial position is strong. Moody's, a company that provides credit rating services, gives the IHL their third highest rating of Aa2 meaning it is low risk and strong investment-grade debt. The university system's total FY17 assets were $9.9 billion and its total liabilities $5.9 billion. Included in these figures are the eight non-profit building

[72] John Ower, "Mississippi's Climate Unhealthy for Academics," Letter to the editor, July 2, 2004, Chronicle of Higher Education.

[73] Sara Hebel, "A Settlement and More Division in Mississippi," The Chronicle of Higher Education, May 4, 2001, https://www.chronicle.com/article/A-SettlementMore-Division/33038, accessed 05-15-19.

[74] Liz Mcmillen, "Black Group Asks Federal Court to Halt Plan to Expand U. of Southern Mississippi," *Chronicle of Higher Education*, February 15, 1999.

corporations—one for every institution with the exception of MUW, which does not have one—and three foundations that support the IHL institutions.[75] About 70% of total assets and liabilities are directly from IHL institutions, and 30% from the affiliate entities.

IHL assets (FY17) are concentrated in $4.1 billion in capital assets, which represent 41% of total assets. Total liabilities of $4.7 billion include pension liabilities of $2.8 billion and accrued leave liabilities of $1.2 billion.

In FY17, IHL had total operating income of $2.5 billion and operating expense of $3.6 billion for a total operating loss of $1.1 billion. However, with an additional $1.1 billion in non-operating revenue, including state appropriations ($700 million), gifts, and investment earnings, total FY17 operating and non-operating revenue was $3.6 billion.

In FY17 hospital revenue from the University of Mississippi Medical Center accounted for 31% of total income, state appropriations 20%, and tuition and fees 18%.

Between FY08 and FY17 per-student state funding for IHL declined by more than 22%.[76] As earlier analysis indicated, the downward trend in state funding was particularly pronounced between FY15 and FY18. Declining state funding for higher education presents IHL institutions with significant challenges, resulting in an increased reliance on private sources of funding, such as revenue from affiliate non-profits, the UM hospital, student tuition, and grants and contracts

ASSETS & LIABILITIES

Table 6 below presents IHL's statement of net position between FY13 and FY17. This balance sheet covers only IHL institutions, and not affiliated organizations. In their financial statements, IHL provides an overview of how to read their statement which is worth including:

> The difference between total assets and deferred outflows, and total liabilities and deferred inflows (net position) is one indicator of the current financial condition, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the current year. From the data presented, readers of the statements of net position are able to determine the assets available to continue the operations of the entity and how much is owed to vendors, investors, and lending institutions.

In FY17, IHL reported total assets of $6.9 billion, total liabilities of $4.7 billion, and a net position of $2.2 billion.

Table 6: IHL Summary of net position, FY13-FY17

*in millions	FY13	FY14	FY15	FY16	FY17	% change '13-'14	% change '14-'15	% change '15-'16	% change '16-'17

[75] Moody's includes the affiliated organizations in determining IHL's total credit rating.
[76] Dwyer Gunn, "A new report finds higher education funding is still not back to pre-recession levels," Pacific Standard, August 24, 2017, https://psmag.com/education/higher-education-funding-not-back-to-pre-recession-levels, accessed 01/23/19.

Total assets & deferred outflows	$4,979	$5,280	$5,894	$6,510	$6,872	6%	12%	9%	6%
Total liabilities & deferred inflows	$1,532	$1,620	$3,894	$4,337	$4,670	6%	140%	10%	8%
Net assets	$3,447	$3,660	$2,000	$2,173	$2,202	6%	-45%	8%	1%
Total net position	$3,447	$3,661	$2,000	$2,173	$2,201	6%	-45%	9%	1%

Table 7 shows the IHL ratio of liabilities to assets each year during the same five-year span. As Figure 1 illustrates, IHL total assets exceed total liabilities. However Figure 2 indicates that liabilities have been growing more quickly than assets. The significant increase in liabilities from FY14 to FY15, however, was caused by a change in accounting law that required IHL to report on pension plans in its statement of net position. The change was responsible for a $1.9 billion increase in pension-related liabilities.[77]

Table 7: IHL Ratio of Assets to Liabilities

	FY13	FY14	FY15	FY16	FY17
Total assets	100%	100%	100%	100%	100%
Total liabilities	31%	31%	66%	67%	68%
Net assets	69%	69%	34%	33%	32%

Assets

IHL FY17 assets of $6.9 billion are concentrated in $4.1 billion in capital assets, of which $3.7 billion is in buildings. There is an additional $1.1 billion in current assets, including $464 million in cash/cash equivalents.

Between FY13 and FY17 IHL assets grew each year in a range between 6% and 12%, for a total increase of 38% (see Table 6 above). There was considerable growth in FY15 and FY16, 12% and 11% respectively. Most of these increases were in the value of capital assets, including building and building improvements. Between FY16 and FY17 assets grew by 3%, mostly due to a $200 million increase in capital assets and $65 million in endowment investments. Endowment investments include donor-restricted gifts—where donors stipulate that only the income

[77] See Institutions of Higher Learning, op. cit., Financial Statements FY15, "Management's Discussion and Analysis,"

interest is to be utilized—as well as funds similarly restricted by the IHL board but which they can later vote to spend at their discretion.

Liabilities

In FY17 IHL had total liabilities of $4.7 billion. The vast majority, ninety-one percent, were in long-term liabilities, $2.8 billion in net pension liabilities and $1.2 in accrued leave liabilities.

Between FY15 and FY16 total liabilities grew by 11% and between FY15 and FY16 by 8% (see Table 6 above). Most of the growth in liabilities was due to an increase in net pension liabilities, which rose 56% during the two year period from year-end FY15 to FY17, shooting up from $1.8 billion to $2.8 billion in that period.

IHL Educational Building Corporations - FY17 Assets and Liabilities

IHL's net assets and liabilities described above include the nine institutions of the IHL, the IHL offices and the Mississippi Commission for Volunteer Services. IHL also has eight affiliated non-profit building corporations (one for each institution except for Mississippi University for Women) and three foundations, at the University of Mississippi, Mississippi State University, and Southern Mississippi University. The building corporations acquire, construct, and equip the facilities and the land for the universities,[78] and the foundations fundraise, invest, and engage in a range of auxiliary business activities on behalf of IHL.[79] Although independently governed, the assets of these affiliated entities are used directly for the benefit of the IHL and are therefore reported on here. As mentioned above, Moody's consolidates the balance sheets of all affiliated organizations with IHL institutions in its credit rating of the overall IHL.

Table 8: IHL Building Corporations Statement of Net Assets, FY17

*in millions	COMBINED	ASU	DSU	JSU	MSU	MVSU	UM	USM	UMMC
Total Assets	$1,211	$43	$15	$99	$333	$18	$269	$180	$252
Total Liabilities	$1,217	$51	$15	$99	$333	$18	$267	$180	$252
Total net position	-$6	-$8	$0	$0	$0	$0	$2	$0	$.5

As Table 8 above reflects, with $1.2 billion in total assets and total liabilities the combined building corporations represent a significant portion of IHL and affiliate entities' total combined balance sheet—12% of total combined assets and 20% of liabilities. Among the building corporations, those serving the three largest IHL institutions account for over 70% of total building corporation assets and over 70% of total liabilities. The majority of the building

[78] See Institutions of Higher Learning, op. cit., Financial Statements FY17, "Notes to Financial Statements, Reporting Entities" 29.
[79] See Institutions of Higher Learning, op. cit., Financial Statements FY17, "Notes to Financial Statements, Reporting Entities" 30; UM Foundation: https://umfoundation.com/main/news-archive/?offset=42.25; MSU Foundation: https://www.msufoundation.com/s/811/foundation/start.aspx; USM Foundation: https://www.usmfoundation.com/s/1149/foundation/start.aspx.

corporations' assets are in capital assets (buildings, land) and the majority of liabilities are in the form of bonds, issued to fund construction projects.[80]

Table 9: Combined Building Corporation Assets & Liabilities, FY15-FY17

*in millions	FY15	FY16	FY17	% change FY15-FY16	% change FY16-FY17
Assets	$1,089	$1,212	$1,210	11%	0%
Liabilities	$1,097	$1,222	$1,216	11%	0%
Net assets	-$8	-$10	-$5	25%	-50%

As Table 9 above illustrates, between FY15 and FY17, IHL's affiliated building corporations increased both their assets and liabilities by 11%. The majority of this increase was between FY15 and FY16. While a few of the building corporations (UMMC, ASU and UM) saw a slight decrease in assets, Delta State University's assets went from $3 million to $15 million and Mississippi State University's went from $318 million to $334 million.

Table 10: IHL Affiliate Foundations, Statement of Net Assets, FY17

	MSU	UM	USM	Combined
Total assets	$555	$533	$121	$1,089
Total liabilities	$12	$29	$1	$51
Net assets	$543	$504	$120	$1,038

Table 10 above shows that IHL affiliate foundations add an additional $1.1 billion in assets or 18% of IHL and the affiliate's total combined assets. These entities have very few liabilities—contributing to the strong net asset position of the combined IHL and affiliate balance sheet. Investments in stocks, bonds and other income-generating assets represent $1 billion, or 91%, of total foundation assets.

Table 11: IHL Affiliate Foundations Combined Assets and Liabilities, FY15-FY17

	FY15	FY16	FY17	% Change FY15-FY16	% Change FY16-FY17

[80] See Building Corporation 990 forms. For instance: Internal Revenue Service form 990, 2016 Delta State University Educational Building Corporation, https://www.guidestar.org/profile/64-0808184.

Assets	$1,089	$1,095	$1,209	1%	10%
Liabilities	$51	$48	$42	-6%	-13%
Net assets	$1,038	$1,046	$1,166	1%	11%

As Table 11 above reflects, between FY16 and FY17 total assets across the three combined IHL foundations went up by 10%, This was primarily due to a rise in investment assets across all three foundations. Their liabilities declined by 13%, due mostly to decreases in accounts payable which they define as "amounts owed to vendors, contractors, or accrued amounts, such as interest, wages, and salaries."[81]

Income and Expenses

IHL Income and Expenses

Table 12 below presents IHL's operating and non-operating income and expenses between FY15-FY17 and percent changes over the two-year period.

Table 12: IHL Income and Expenses FY15-FY17

*in millions	FY15	FY16	FY 17	% Change FY15-FY16	% Change FY16-FY17
Total operating revenue	$2,383	$2,540	$2,525	6%	-.5%
Total operating expenses	$3,170	$3,412	$3,556	7%	4%
Operating loss/income	-$787	-$872	-$1,031	10%	15%
State appropriations	$734	$753	$711	3%	-6%
Gifts	$192	$192	$194	0%	1%
Investment income	$17	$20	$33	15.%	39%
Interest expense	-$38	-$39	-$42	3%	7%
Other non-operating revenues/expenses	$139	$119	$164	-17%	27%

Between FY15 and FY17, IHL total revenue rose by 4% and expenses rose by 12%. The increase in revenue matched the 4% increase in student enrollment in the same period.

Most of the rise in IHL expenses came from a nearly 35% increase in salary and fringe benefits. Tuition and fee increases represent 50% of the total revenue increase and patient care 25%.

[81] See Institutions of Higher Learning, op. cit., Financial Statements FY17, 34.

Expenses are increasing more quickly than revenue, partially due to a decrease of 3% in state appropriation funding between FY15-FY17.

Revenue

As Figure 10 below reflects, patient care revenues from the University of Mississippi Medical Center account for 31% of all revenue, state appropriations for 20%, and tuition and fees for 18%. Together these revenue streams account for nearly 70% of all IHL revenue.

Figure 10: IHL Revenue by Source

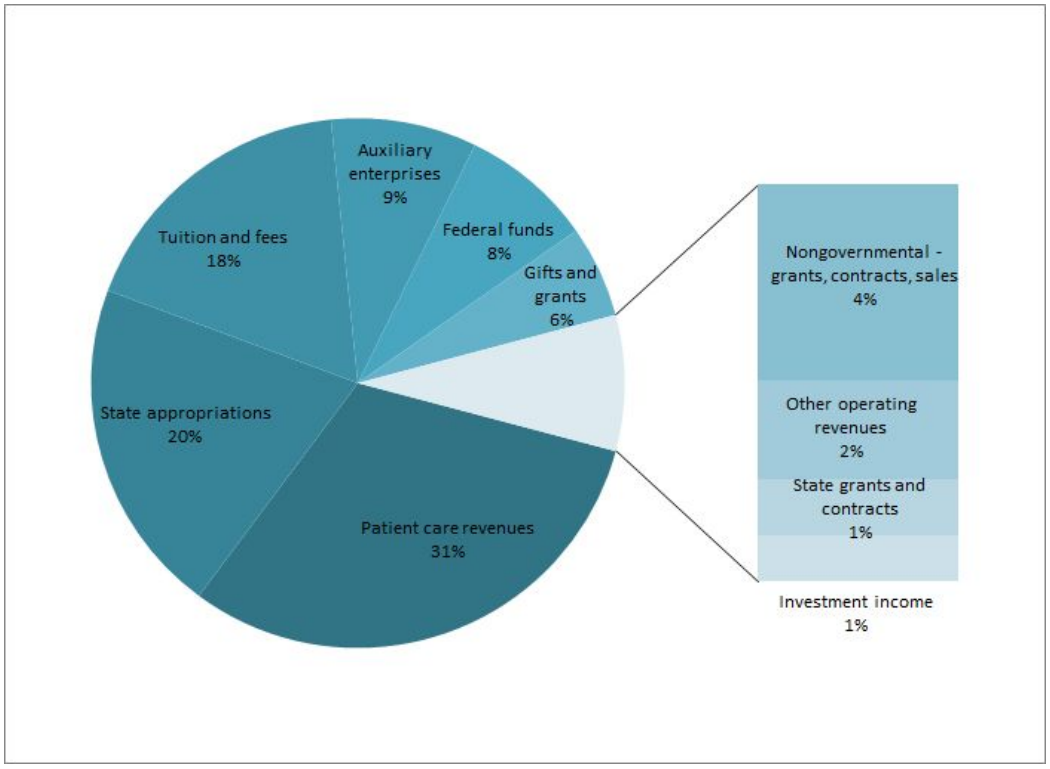

Table 13 below provides a more detailed accounting of operating and non-operating revenue sources for FY15-FY17 and the percent change from year to year. Tuition and fee revenue went up by nearly 13% between FY15 and FY17. Patient care revenue rose by 3% and auxiliary enterprise revenue increased by nearly 15%. Meanwhile, state appropriations dropped by 3%. Declines in state appropriations and increases in tuition over the last decade are covered in detail in the Budget section on pages 3-4 of this report.

Table 13: FY15-FY17 Revenues by Source and Percent Change

ALL revenue and sources *in millions	FY15	FY16	FY17	% change FY15-FY16	% change FY16-FY17
Tuition and Fees	$543	$577	$613	6%	6%
Federal Funds	$265	$286	$278	8%	-3%
State Grants and Contracts	$44	$46	$41	5%	-11%
Nongovernmental Grants, Contracts, Sales	$145	$147	$142	1%	-3%
Auxiliary Enterprises	$267	$293	$306	10%	4%

Patient Care revenues	$1,043	$1,086	$1,074	4%	-1%
Other Operating Revenues	$76	$105	$71	38%	-32%
State Appropriations	$733	$753	$711	3%	-6%
Gifts and Grants	$192	$192	$194	0%	1%
Investment Income	$17	$20	$33	18%	65%
Other Non-operating	$2	$3	$6	53%	135%
Total	$3,327	$3,508	$3,469	5%	-1%

Expenses

Table 14: Expenses by Natural Classification

*in millions	FY FY15	FY FY16	FY FY17	% Change FY15-FY16	% change FY16-FY17
Operating expenses	$1,499	$1,580	$1,603	5%	1%
Salaries and Wages	$429	$555	$695	29%	25%
Fringe Benefits	$55	$57	$56	4%	-2%
Travel	$436	$446	$442	2%	-1%
Contractual Services	$70	$65	$65	-7%	0%
Utilities	$173	$175	$177	1%	1%
Scholarships and Fellowships	$358	$378	$362	6%	-4%
Commodities	$145	$147	$152	1%	3%
Depreciation	$7	$10	$5	43%	-50%
Other	$3,172	$3,413	$3,557	7%	4%
Total	**$3,172**	**$3,413**	**$3,557**	**7%**	**4%**

Table 14 above details IHL expenses by classification, revealing that salaries and wages and fringe benefits are IHL's largest operating expenses. With a cost of $2.2 billion in FY17, they accounted for 64% of total expenses, up from 61% in FY15. Contractual services and commodities are also a significant driver of expenses, and were relatively stable at 6% and 5% of total expenses during the three-year period. Other significant expense categories include scholarships and fellowships (6%), depreciation (4%), and utilities (2%).

Between FY15 and FY17 operating expenses increased by $385 million or 12%. However, when we account for increases in enrollment, total operating expenses increased by just 3%, just slightly higher than the inflation rate during this time period (2.8%). Increases in fringe benefit

expenses went up significantly over these two years, by 49%, even after adjusting for enrollment.

Figure 11: IHL Expenses by Function, FY17

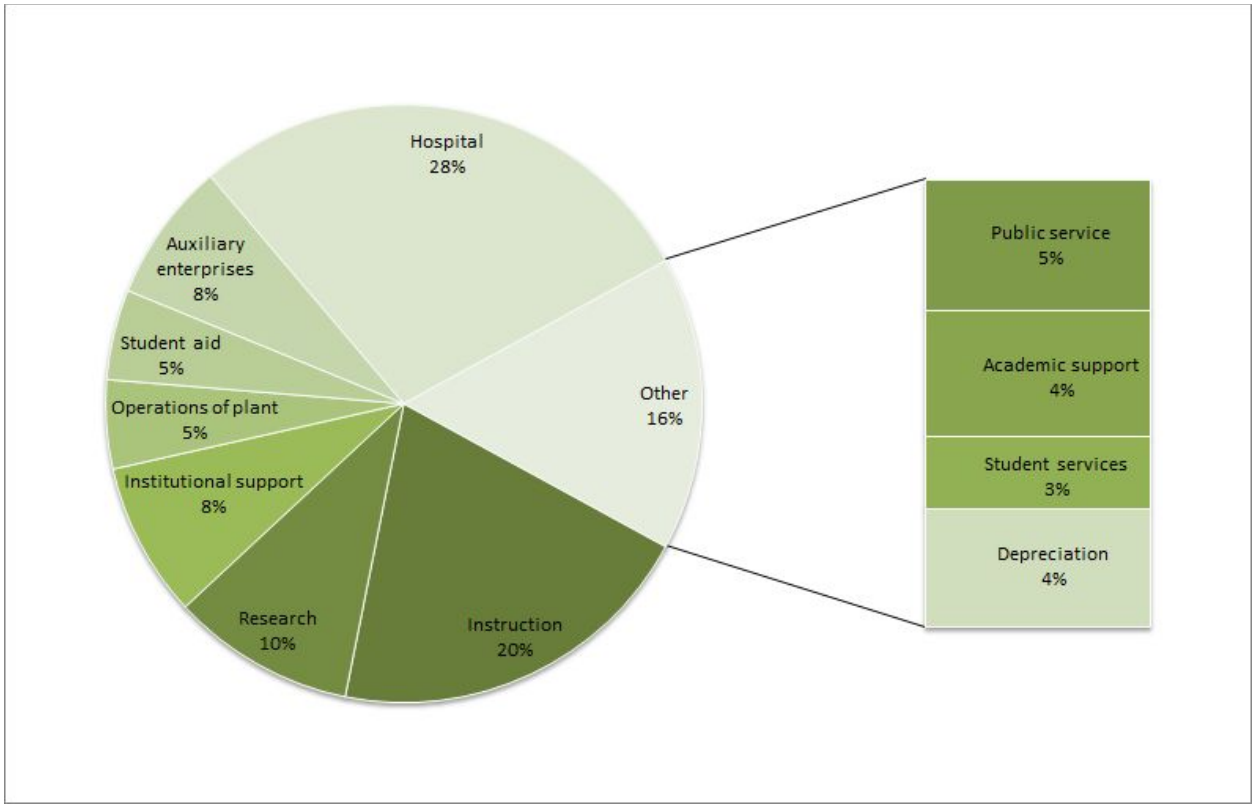

Figure 11 above presents expenses by function. The University of Mississippi Medical Center Hospital accounts for 28% of all IHL expenses, instruction for 20%, research for 10%, auxiliary services and institutional support for 8% each. Other expenses, such as academic support, public service, student services, and operation of plant each account for an additional 3-5%.

IHL Building Corporations & Foundations - Income and Expenses

The eight IHL Building Corporations had combined FY17 income of $51 million, expenses of $52 million and a net loss of $1 million. Building Corporation expenses are low as their primary function is funding construction, but a few of them also manage university buildings, resulting in salary and benefit expenses for staff and revenue from rental income.[82]

Table 15 below displays IHL Foundations combined FY17 income of $108 million, expenses of $87 million, and net income of $21 million. Foundation income is made up of two-thirds charitable donations received on behalf of the institutions and one-third investment revenue. Foundation expenses are concentrated in their support for university activities—for instance, hosting fundraising events—and administrative expenses, including staff salaries and benefits.

[82] See, IHL Building Corporations Individual IRS 990 Forms, available at www.guidestar.org.

Table 15: IHL Building Corporations and Foundations, FY17 Revenue and Expenses

	Combined Building Corporations	Combined Foundations
Total revenue	$50	$108
Total expenses	$51.5	$87
Total income/loss	$1.5	$21