



A Historical Perspective of State Aid, Tuition and Spending for State Universities in Kansas

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Introduction

State support for postsecondary education in Kansas is the subject of considerable debate in the 2013 Kansas Legislature. Governor Brownback proposes to hold state support steady in the upcoming budget, while House and Senate budget proposals have called for reductions in state aid of 4 percent and 2 percent, respectively. The Kansas Board of Regents recommended a \$47.1 million increase in state aid.ⁱ As a result of these conflicting proposals, questions have understandably been raised regarding possible impact on tuition rates and other educational impacts.

As Table 2 (page 2) shows, undergraduate tuition and fees at the six state-funded universities increased 137 percent between 2002 and 2012.ⁱⁱ University officials often site a lack of state funding as the cause of tuition increases, while some legislators point to large tuition increases as rationale for funding decisions. This ‘chicken-and-egg’ debate may well come down to a matter of perspective. Accordingly, this analysis compares annual changes in tuition and fees, inflation and state funding to provide readers with data to reach their own informed opinions.

We also examine university spending over the last ten fiscal years using data from The Kansas Board of Regents (KBOR).ⁱⁱⁱ This analysis uses the KBOR designations for General Use Operating Expenditures and All Funds Operating Expenditures.

The six state-funded universities included in this analysis are the University of Kansas, Kansas State University, Wichita State University, Emporia State University, Pittsburg State University and Fort Hays State University. The KU Medical Center, Kansas State Veterinary Medical Center, the Kansas State Extension Systems and Agricultural Research Program (ESARP) and the Kansas Board of Regents are excluded from all data in this analysis. Medical facilities’ cost structures are considerably higher and would artificially skew comparisons of spending patterns over time. The extension system and the Board of Regents are excluded because much of this analysis is on a per-student basis.

State Aid and Tuition

State aid to the six state-funded universities is essentially flat over the last ten years at \$406.4 million, although total aid is up 4.9 percent at \$739.2 million.^{iv}

University	State General Fund Spending			FTE Enrollment		
	FY2002	FY2012	Change	FY2002	FY2012	Change
University of Kansas	138,257,795	137,889,806	-0.3%	22,883	23,290	1.8%
Kansas State	106,969,910	102,716,970	-4.0%	18,776	20,014	6.6%
Wichita State	65,699,384	66,750,189	1.6%	10,511	11,686	11.2%
Emporia State	30,490,809	30,911,399	1.4%	4,727	4,908	3.8%
Pittsburg State	33,437,540	34,633,828	3.6%	5,555	6,984	25.7%
Fort Hays State	31,846,557	33,329,552	4.7%	4,575	8,198	79.2%
Total above	406,701,995	406,231,744	-0.1%	67,027	75,080	12.0%

Source: Kansas Division of the Budget, Governor's Budget Reports, Schedule 2.2; Kansas Board of Regents Databooks, Table 2.1a Full Time Equivalent enrollment.

Enrollment increased by 12 percent over the last ten years, with much of the gain attributable to an innovative online venture in conjunction with the Ministry of Education of the People's Republic of China at Fort Hays State University.^v

Inflation increased 25.3 percent over the same period, based on changes in the Consumer Price Index for Midwest Urban Cities; we calculated the change using a July-June fiscal year average for comparison to state funding and university spending reports.^{vi} Table 2 compares the annual change (all on a fiscal year basis) in inflation, state aid and undergraduate tuition and fees for the six state-funded universities between 2002 and 2012.

Fiscal Year	Inflation	State Aid	Undergraduate Tuition and Fees						
			Univ. of Kansas	K-State	Wichita State	Emporia State	Pittsburg State	Fort Hays State	Annual Avg.
2003	2.0%	-5.1%	20.8%	21.5%	7.0%	7.4%	8.4%	5.0%	12.2%
2004	1.9%	0.9%	17.7%	17.9%	14.7%	13.1%	16.9%	9.0%	15.3%
2005	2.8%	3.8%	15.5%	14.9%	11.5%	9.4%	11.2%	14.3%	13.0%
2006	3.4%	5.4%	14.3%	9.8%	8.3%	8.9%	8.1%	5.2%	9.5%
2007	1.9%	1.7%	13.6%	12.8%	6.7%	8.5%	6.4%	4.7%	9.4%
2008	3.6%	4.0%	7.3%	7.9%	6.4%	9.5%	7.1%	5.1%	7.3%
2009	1.0%	-3.9%	6.7%	6.3%	5.8%	5.3%	6.5%	5.5%	6.1%
2010	1.1%	-6.5%	5.3%	3.7%	7.6%	5.8%	6.2%	6.3%	5.6%
2011	2.2%	1.4%	8.3%	7.4%	7.7%	6.0%	5.6%	4.8%	6.9%
2012	2.9%	-1.1%	5.5%	3.8%	5.1%	6.8%	6.5%	3.6%	5.2%
10 years	25.3%	-0.1%	193.6%	170.2%	116.7%	116.8%	120.8%	84.0%	136.9%

Source: Kansas Board of Regents Databooks, Table 2.1a; Bureau of Labor Statistics, CPI for Midwest Urban Cities on a July-June basis; Kansas Division of the Budget, Governor's Budget Reports, Schedule 2.2

The declines in state aid for fiscal years 2003, 2009 and 2010 were all recession-related. As shown in Table 3, a precipitous drop in 2002 revenues nearly wiped out the General Fund ending balance (which by statute is to be 7.5 percent of expenditures). The Legislature reacted in 2003 with a 7.4 percent reduction in total expenditures, considerably more than the 5.1 percent reduction in aid to the six state-funded universities.

The protracted recession that began in 2008 led to a two-year expenditure reduction of 13.7 percent, with spending dropping from \$6.102 billion to \$5.268 billion (Table 3). As was the case in the previous recession, aid to the six state-funded universities

declined but to a much lesser extent than total spending, going from \$450.7 million to \$410.7 million, or 8.9 percent.

Fiscal Year	Receipts	Expend.	Balance	Percent
2001	4,415.0	4,429.6	365.7	8.3%
2002	4,108.3	4,466.1	12.1	0.3%
2003	4,245.6	4,137.5	122.7	3.0%
2004	4,518.9	4,316.5	327.5	7.6%
2005	4,841.3	4,690.1	478.7	10.2%
2006	5,394.4	5,139.4	733.6	14.3%
2007	5,809.0	5,607.7	935.0	16.7%
2008	5,693.4	6,101.8	526.6	8.6%
2009	5,587.4	6,064.4	49.7	0.8%
2010	5,191.3	5,268.0	(27.1)	-0.5%
2011	5,882.1	5,666.6	188.3	3.3%
2012	6,412.8	6,098.1	502.9	8.2%

Source: Governor's Budget Report for FY 2014

It may be impossible to determine the extent to which prior year tuition increases may have impacted legislative funding decisions for universities. However, given that annual tuition increases were routinely three times greater (or more) than inflation, it would have been well within reason for legislators to divert resources elsewhere given the extent to which universities increased tuition revenue – and also given the demand for funding of other state functions.

Legislators have been grappling with significant increases in K-12 and Human Services funding for many years. Table 4 shows that Human Services spending doubled over the last ten years,

Fiscal Year	Total Expend.	Regents Total	Dept. of Education	Human Services	All Other
2002	4,466.1	704.5	2,345.1	770.6	645.9
2003	4,137.5	670.0	2,124.5	827.4	515.6
2004	4,316.5	673.6	2,186.4	938.5	518.0
2005	4,690.1	706.1	2,336.3	1,098.1	549.6
2006	5,139.4	747.1	2,607.2	1,173.0	612.1
2007	5,607.7	782.1	2,843.4	1,319.8	662.4
2008	6,101.8	829.1	3,091.3	1,444.6	736.8
2009	6,064.4	799.8	3,161.7	1,358.5	744.4
2010	5,268.0	743.7	2,723.7	1,161.5	639.1
2011	5,666.6	751.3	2,985.1	1,265.5	664.7
2012	6,098.1	739.2	3,091.0	1,548.5	719.4
2002-12	36.5%	4.9%	31.8%	100.9%	11.4%

Source: Governor's Budget Reports, Schedule 2.2

accounting for 25.4 percent of total spending in 2012 as compared to 17.3 percent of total spending in 2002. Court-mandated increases in K-12 spending put additional pressure on state funding (Dept. of Education includes K-12, state schools for the deaf and blind and Dept. of Education operating costs).

Given these financial pressures and knowing that tuition increases ranged from 84 percent to 194 percent over the last ten years, perhaps legislators may have felt higher education did not require large funding increases.

Total Operating Expenditures

The Kansas Board of Regents publishes an annual Databook with operating expenditures allocated among multiple categories for All Funds Expenditures and General Use Expenditures. According to the 2013 Databook, universities have two major sources of funding, General Use Funds and Restricted Use Funds.^{vii} Operating expenditures do not include capital expenditures.

General Use funds consist of state general fund appropriations, general fee (tuition) revenue, hospital revenue (KSUVMC only), federal land grant funds (KSU only), and medical scholarship repayment funds (KUMC only). Restricted Use funds include all revenue from: gifts, grants and contracts from federal, state, local, and private sources; student fees other than tuition; all income from the operations of auxiliary enterprises; and all other revenues not designated as general use funds. All Funds Operating Expense includes General Use and Restricted Funds.^{viii}

Table 5: Operating Expenditures for the Six State-Funded Universities (thousands)

Category	All Funds			General Use		
	2002	2012	Change	2002	2012	Change
Instruction	386,667	538,857	39%	314,512	447,440	42%
Academic Support	108,817	172,631	59%	91,826	145,112	58%
Student Services	61,223	103,894	70%	35,598	57,115	60%
	556,707	815,382	46%	441,936	649,667	47%
Institutional Support	67,762	120,741	78%	56,929	101,696	79%
Physical Plant	91,498	136,089	49%	84,557	122,966	45%
Research	148,728	283,285	90%	51,087	62,627	23%
Public Service	76,721	107,567	40%	30,002	35,734	19%
Scholarships/Fellowships	194,267	324,215	67%	4,234	43,023	916%
Other	4,702	23,623	402%	0	14,653	
Auxiliary Enterprises	72,906	139,211	91%	27	917	3329%
Restricted Use Non-Reportable Student Loan Expenditures	0	132,134		0	0	
Total Operating Expense	1,213,291	2,082,246	72%	668,771	1,031,285	54%

Source: Kansas Board of Regents Databooks

The Regents Databook classifies Institutional Support under Educational Programs but their definition clearly shows these expenditures to be administrative in nature rather than educational. “Institutional Support Program consists of activities carried out to provide for both the day-to-day functioning and the long-term viability of the institution as an operating organization; such

activities include executive management, fiscal operations, general administrative services, logistical services and public relations/development.^{ix}

General Use administrative costs (Institutional Support) of the six state-funded universities, which are funded by taxpayer support and tuition, increased 78 percent over the last ten years, or a little more than three times the inflation rate. This is an important factor to consider in discussions of tuition increases and state funding, particularly since administrative costs have grown faster than any other expense category except Scholarships and Auxiliary Enterprises.

General Use Operating Cost Per-Student

Some costs are especially impacted by changes in enrollment, such as Instruction and Student Services, and perhaps Academic Support. A comparison of per-student costs in those areas is therefore a better measurement against inflation in determining real spending increases. (The data in Table 6 represents actual spending and is not adjusted for inflation, which, as mentioned earlier, increased by 25 percent over the period.) In order to compare changes in state funding, tuition and related spending, this per-student analysis focuses only on General Use spending for those categories.

There is a wide variance in per-student spending among the six universities on these categories, which may result from a variety of factors. Further examination of different costs and the wide variance in the rate of change in those costs, however, may provide universities and legislators with valuable insight in how to make the most efficient and effective use of tuition and tax dollars.

It is particularly noteworthy that Fort Hays State reduced their per-student costs when costs at the other five schools grew by 38 percent. This is undoubtedly related to having

Table 6: General Use Spending Per-Student

	Instruction	Academic Support	Student Services	Total
Univ. of Kansas				
2012 Per-Student	\$7,522	\$2,564	\$675	\$10,762
2002-12 Change	48%	68%	46%	52%
Kansas State				
2012 Per-Student	\$6,605	\$1,837	\$623	\$9,064
2002-12 Change	43%	55%	53%	46%
Wichita State				
2012 Per-Student	\$4,665	\$1,797	\$957	\$7,419
2002-12 Change	6%	25%	38%	14%
Emporia State				
2012 Per-Student	\$5,357	\$1,701	\$1,197	\$8,255
2002-12 Change	25%	26%	44%	27%
Pittsburg State				
2012 Per-Student	\$4,633	\$1,259	\$797	\$6,689
2002-12 Change	11%	19%	34%	15%
Fort Hays State				
2012 Per-Student	\$3,280	\$1,278	\$769	\$5,327
2002-12 Change	-31%	-19%	24%	-23%
6-Univ. Average				
2012 Per-Student	\$5,960	\$1,933	\$761	\$8,653
2002-12 Change	27%	41%	43%	31%
5-Univ. w/o FHSU				
2012 Per-Student	\$6,288	\$2,013	\$760	\$9,061
2002-12 Change	34%	49%	45%	38%

Source: Kansas Board of Regents Databooks; General Use Operating Expenditures for each category divided by full time equivalent enrollment.

greater economies of scale from a 79 percent increase in enrollment, but keep in mind that most of their enrollment gain came from online learning programs. That would at least imply that online learning can be delivered at a much lower cost than traditional learning, especially considering that FHSU by far has the lowest cost per-student for Instruction.

Per-student spending at the University of Kansas and Kansas State University grew much more than the others (52 percent and 46 percent, respectively), which is likely related to the fact that they also had the greatest tuition increases (194 percent and 170 percent, respectively).

Budget-Balancing Opportunities

In addition to comparing per-student spending and the 10-year change in those amounts with an eye toward ‘best-practices,’ there are several other opportunities to consider.

Use a Portion of Cash Reserve Increases

Table 7 shows that the six state-funded universities have increased their unencumbered carryover cash balances in General Fee Funds and Restricted Fee Funds by \$248 million since 2003. These

Table 7: Carryover Cash Balance Increases			
University	June 30 Balance Increases 2003 - 2012		
	General Fees	Restricted Fees	Change
University of Kansas	19,665,969	64,589,478	84,255,447
Kansas State	32,116,782	27,051,829	59,168,610
Wichita State	13,947,626	36,188,438	50,136,064
Emporia State	3,040,493	2,623,109	5,663,602
Pittsburg State	4,822,551	5,088,420	9,910,971
Fort Hays State	22,877,181	15,978,141	38,855,322
Total above	96,470,600	151,519,415	247,990,015

Source: Kansas Dept. of Administration; data obtained in Open Records request

annual carryover balances only increase if more revenue is collected than is spent, so universities collected nearly a quarter billion dollars more in fees than was spent for the purpose the fees were collected since 2003.

General Fees are tuition (plus interest earned on those balances) and those fund balances can be used for any

purpose. Balances in Restricted Fee funds can only be used for the purpose the fee was charged. Various student fees are considered Restricted but other revenue sources in Restricted Fees include (but are not limited to) Admissions to Plays and Concerts, Other Service Charges, Manufactured Products, Other Commodities, Departmental or Agency Sales, Interest, Dividends, Rental of Real Estate, Buildings and Rooms, Other Rents & Royalties and Other Operating Grants.

So if, for example, state aid is slightly reduced or held flat in the next budget year, universities could avoid raising tuition by dipping into the General Fees fund cash reserves that have built up over the last nine years. They might also be able to use cash reserve balances in their Restricted Fees funds to cover some operating costs related to the specific functions for which the fees were collected.

Keep in mind, the balances in Table 7 reflect only the increases in those funds since 2003; the total carryover cash balance in those funds was \$302.7 million as of June 30, 2012. A one percent reduction in state aid to these six universities would be roughly \$4 million, so unless universities will have significantly reduced these cash reserves by the end of the current fiscal year, they could each offset a small reduction in state aid (should that occur) by using a small portion of the fund balance increases in their General Fees fund and still have significant cash reserves in their General Fees funds.^x

Legislators might also consider reviewing fund restrictions with university officials to see if they could benefit from having fewer restrictions placed on the use of funds. Some funds may contain contractual restrictions (which universities could consider modifying on their own going forward) but others may require legislative authority such as was provided for local school districts. In 2011, SB 111 authorized local schools districts to use cash reserve balances in a collection of funds that had previously been restricted for any purpose they desired.

Universities and other government entities are able to both utilize cash reserves and maintain a solid financial footing. This should not be construed as an argument that would undermine sound cash management. The growth in these reserves over the past nine years suggests that drawing down these funds can be done prudently while retaining adequate insulation against future events.

Follow Up on Legislative Post Audit Efficiency Study

The State of Kansas Legislative Division of Post Audit (LPA) released a study in 2009 that identified several actions universities could take to reduce their academic and institutional spending, including:^{xi}

- ✓ Eliminating or combining low-enrollment course sections within a university
- ✓ Eliminating or combining academic departments within a university
- ✓ Collaborating with other universities to share course content, teachers and instructional programs
- ✓ Increasing the number of courses and programs offered online or through distance learning
- ✓ Increasing faculty workloads
- ✓ Reducing or eliminating remedial courses, or changing who teaches them
- ✓ Maximizing the use of existing classroom and laboratory space
- ✓ Consolidating or changing administrative functions and processes
- ✓ Outsourcing some non-academic services

The Kansas Board of Regents required each university to respond to the audit recommendations and shared their responses with LPA. Barb Hinton, former director of LPA, prepared a Summary Narrative of Universities' Responses in which she said, "*Overall, each university has pledged to continue to review the ideas offered in the audit. In some instances, a university has stated that it will implement a new process to address the issue. In other instances, a university would assert that it has*

adequate on-going processes to control costs and operate efficiently, and as a result, no changes are needed. Further, the universities contended they have taken many actions as a result of the recent budget cuts which address the issues cited in the audit report.”^{xii}

It is not known to what extent these recommendations have been enacted, so we examined a few key spending areas in search of indications that spending has been reduced. There were small General Use spending reductions in 2009 and 2010 in the areas of Instruction, Public Service and Scholarships and Auxiliary Enterprises; Research declined in 2010 and Physical Plant declined in 2009. General Use spending in all other cost centers, however, increased both years and with the exception of Auxiliary Enterprises, spending in every cost center went up in 2011 and 2012.

As noted in Table 2, state aid declined in 2009 and 2010 due to recessionary pressures, so the spending reductions in those years may have been primarily driven by revenue reductions. It is particularly noteworthy that Institutional Support (administration) increased every year and grew 25 percent between 2008 and 2012, while inflation only increased by 7 percent.^{xiii}

Taken collectively, it is likely that universities still have many efficiency opportunities identified by the LPA audit to explore.

Deregulation

In order to prepare students for the dynamic nature of the 21st century economy, universities must be free to adapt their resources as demands evolve. The legislature should ask universities for a list of mandates or regulations that could be revised or eliminated with the intention of freeing universities to be innovative and operate more efficiently.

In 2009 Governor Parkinson signed the State Educational Institution Project Delivery Construction Procurement Act.^{xiv} The act allowed for “more efficient and cost effective delivery of construction projects for Non-State funded projects” and saved the University of Kansas an estimated \$400,000.^{xv} In 2012 the legislature passed and Governor Brownback signed HB 2429, which removed the act’s sunset provision allowing the universities to build upon earlier savings.^{xvi} Legislators should look for further opportunities to promote innovation and efficiency by repealing unnecessary regulation and unfunded mandates.

Privatization

Kansas Policy Institute and the Reason Foundation co-authored a report earlier this year documenting how higher education systems across the country have achieved cost savings and innovation by privatizing many services and assets, allowing universities to focus on their core academic missions. “Better Service, Better Price: how privatization can streamline government, improve services, and reduce costs for Kansas taxpayers” explains how universities have stretched

their funds by privatizing campus dining, mail, copying, landscaping and a multitude of other services.^{xvii}

For example, The Ohio State University recently leased parking assets for \$483 million, adding a cash infusion to the university's endowment. The report also explains how Kansas State University privatized its on-campus bookstore in 2002.

The example with Kansas State University demonstrates that privatization is a familiar concept within KBOR institutions. The successes already implemented in the state and other nation-wide examples from "Better Service, Better Price" should serve as a starting point from which Kansas' state-funded universities can deliver better service while also saving money.

Dedicate a Portion of University Earnings to General Education

Universities could voluntarily choose to devote a portion of revenues collected from the sale of contracted services, royalties earned from research projects or even athletics for General Use educational purposes. This would provide a means of keeping tuition affordable and allow students and taxpayers in general to benefit, without whom universities may not be able to generate some of those revenues.

Conclusion

State support for higher education may always be the subject of healthy debate in the Kansas Legislature and throughout the state, and that is a good thing in our estimation. Taxpayer support of higher education will always be a priority but there must also be constant vigilance to ensure that taxpayer money is used as effectively and efficiently as possible.

Fortunately, there are many opportunities for universities and legislators to work together and find ways to reduce pressure on tuition and the state budget while still providing healthy support of higher education.

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Appendix 1

University of Kansas Operating Expenditures

	All Funds			General Use		
	2002	2012	Change	2002	2012	Change
FTE Enrollment	22,883	23,290	2%	22,883	23,290	2%
Per-Student Spending						
Instruction	\$ 7,005	\$ 9,420	34%	\$ 5,097	\$ 7,522	48%
Academic Support	\$ 1,816	\$ 3,020	66%	\$ 1,530	\$ 2,564	68%
Student Services	\$ 922	\$ 1,454	58%	\$ 463	\$ 675	46%
	\$ 9,743	\$ 13,894	43%	\$ 7,089	\$ 10,762	52%
Institutional Support	\$ 1,258	\$ 2,178	73%	\$ 1,023	\$ 1,792	75%
Physical Plant	\$ 1,355	\$ 2,026	49%	\$ 1,228	\$ 1,753	43%
Research	\$ 1,814	\$ 3,862	113%	\$ 603	\$ 864	43%
Public Service	\$ 301	\$ 444	47%	\$ 89	\$ 134	51%
Scholarships & Fellowships	\$ 3,961	\$ 8,325	110%	\$ 64	\$ 750	1079%
Other	\$ 71	\$ 393	453%	\$ -	\$ 393	
Auxiliary Enterprises	\$ 1,358	\$ 2,323	71%	\$ 0	\$ 39	8466%
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 19,862	\$ 33,445	68%	\$ 10,096	\$ 16,488	63%
Total Spending (millions)						
Instruction	\$ 160.3	\$ 219.4	37%	\$ 116.6	\$ 175.2	50%
Academic Support	\$ 41.6	\$ 70.3	69%	\$ 35.0	\$ 59.7	71%
Student Services	\$ 21.1	\$ 33.9	61%	\$ 10.6	\$ 15.7	49%
	\$ 222.9	\$ 323.6	45%	\$ 162.2	\$ 250.6	55%
Institutional Support	\$ 28.8	\$ 50.7	76%	\$ 23.4	\$ 41.7	78%
Physical Plant	\$ 31.0	\$ 47.2	52%	\$ 28.1	\$ 40.8	45%
Research	\$ 41.5	\$ 89.9	117%	\$ 13.8	\$ 20.1	46%
Public Service	\$ 6.9	\$ 10.3	50%	\$ 2.0	\$ 3.1	53%
Scholarships & Fellowships	\$ 90.6	\$ 193.9	114%	\$ 1.5	\$ 17.5	1100%
Other	\$ 1.6	\$ 9.2	463%	\$ -	\$ 9.2	
Auxiliary Enterprises	\$ 31.1	\$ 54.1	74%	\$ 0.0	\$ 0.9	8619%
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 454.5	\$ 778.9	71%	\$ 231.0	\$ 384.0	66%

Source: Kansas Board of Regents Databooks; per-student amounts are calculated by dividing full time equivalent enrollment into category spending

Appendix 2

Kansas State University Operating Expenditures

	All Funds			General Use		
	2002	2012	Change	2002	2012	Change
FTE Enrollment	18,776	20,014	7%	18,776	20,014	7%
Per-Student Spending						
Instruction	\$ 5,611	\$ 7,851	40%	\$ 4,616	\$ 6,605	43%
Academic Support	\$ 1,406	\$ 2,118	51%	\$ 1,188	\$ 1,837	55%
Student Services	\$ 731	\$ 1,066	46%	\$ 407	\$ 623	53%
	\$ 7,748	\$ 11,035	42%	\$ 6,211	\$ 9,064	46%
Institutional Support	\$ 913	\$ 1,542	69%	\$ 737	\$ 1,256	70%
Physical Plant	\$ 1,283	\$ 1,971	54%	\$ 1,242	\$ 1,783	44%
Research	\$ 4,963	\$ 7,038	42%	\$ 1,898	\$ 2,032	7%
Public Service	\$ 2,695	\$ 3,470	29%	\$ 1,333	\$ 1,392	4%
Scholarships & Fellowships	\$ 3,943	\$ 2,621	-34%	\$ 61	\$ 825	1251%
Other	\$ 66	\$ 346	425%	\$ -	\$ 24	
Auxiliary Enterprises	\$ 1,409	\$ 2,347	67%	\$ -	\$ -	
Restricted Use Non-Reportable Student Loans	\$ -	\$ 6,602		\$ -	\$ -	
Total Operating Expense	\$ 23,021	\$ 36,973	61%	\$ 11,482	\$ 16,377	43%
Total Spending (millions)						
Instruction	\$ 105.4	\$ 157.1	49%	\$ 86.7	\$ 132.2	53%
Academic Support	\$ 26.4	\$ 42.4	61%	\$ 22.3	\$ 36.8	65%
Student Services	\$ 13.7	\$ 21.3	55%	\$ 7.6	\$ 12.5	63%
	\$ 145.5	\$ 220.9	52%	\$ 116.6	\$ 181.4	56%
Institutional Support	\$ 17.1	\$ 30.9	80%	\$ 13.8	\$ 25.1	82%
Physical Plant	\$ 24.1	\$ 39.4	64%	\$ 23.3	\$ 35.7	53%
Research	\$ 93.2	\$ 140.9	51%	\$ 35.6	\$ 40.7	14%
Public Service	\$ 50.6	\$ 69.5	37%	\$ 25.0	\$ 27.9	11%
Scholarships & Fellowships	\$ 74.0	\$ 52.5	-29%	\$ 1.1	\$ 16.5	1340%
Other	\$ 1.2	\$ 6.9	459%	\$ -	\$ 0.5	
Auxiliary Enterprises	\$ 26.5	\$ 47.0	78%	\$ -	\$ -	
Restricted Use Non-Reportable Student Loans	\$ -	\$ 132.1		\$ -	\$ -	
Total Operating Expense	\$ 432.2	\$ 740.0	71%	\$ 215.6	\$ 327.8	52%

Source: Kansas Board of Regents Databooks; per-student amounts are calculated by dividing full time equivalent enrollment into category spending

Appendix 3

Wichita State University Operating Expenditures

	All Funds			General Use		
	2002	2012	Change	2002	2012	Change
FTE Enrollment	10,511	11,686	11%	10,511	11,686	11%
Per-Student Spending						
Instruction	\$ 4,651	\$ 5,237	13%	\$ 4,387	\$ 4,665	6%
Academic Support	\$ 1,746	\$ 2,220	27%	\$ 1,435	\$ 1,797	25%
Student Services	\$ 1,141	\$ 1,526	34%	\$ 695	\$ 957	38%
	\$ 7,538	\$ 8,983	19%	\$ 6,517	\$ 7,419	14%
Institutional Support	\$ 996	\$ 1,294	30%	\$ 929	\$ 1,212	30%
Physical Plant	\$ 1,655	\$ 2,000	21%	\$ 1,390	\$ 1,881	35%
Research	\$ 1,097	\$ 4,252	288%	\$ 144	\$ 139	-4%
Public Service	\$ 1,135	\$ 1,524	34%	\$ 202	\$ 276	36%
Scholarships & Fellowships	\$ 1,206	\$ 2,972	146%	\$ 36	\$ 432	1088%
Other	\$ 97	\$ 234	140%	\$ -	\$ 234	
Auxiliary Enterprises	\$ 317	\$ 1,384	336%	\$ 2	\$ -	-100%
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 14,042	\$ 22,642	61%	\$ 9,221	\$ 11,592	26%
Total Spending (millions)						
Instruction	\$ 48.9	\$ 61.2	25%	\$ 46.1	\$ 54.5	18%
Academic Support	\$ 18.3	\$ 25.9	41%	\$ 15.1	\$ 21.0	39%
Student Services	\$ 12.0	\$ 17.8	49%	\$ 7.3	\$ 11.2	53%
	\$ 79.2	\$ 105.0	32%	\$ 68.5	\$ 86.7	27%
Institutional Support	\$ 10.5	\$ 15.1	44%	\$ 9.8	\$ 14.2	45%
Physical Plant	\$ 17.4	\$ 23.4	34%	\$ 14.6	\$ 22.0	50%
Research	\$ 11.5	\$ 49.7	331%	\$ 1.5	\$ 1.6	7%
Public Service	\$ 11.9	\$ 17.8	49%	\$ 2.1	\$ 3.2	52%
Scholarships & Fellowships	\$ 12.7	\$ 34.7	174%	\$ 0.4	\$ 5.0	1221%
Other	\$ 1.0	\$ 2.7	167%	\$ -	\$ 2.7	
Auxiliary Enterprises	\$ 3.3	\$ 16.2	385%	\$ 0.0	\$ -	-100%
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 147.6	\$ 264.6	79%	\$ 96.9	\$ 135.5	40%

Source: Kansas Board of Regents Databooks; per-student amounts are calculated by dividing full time equivalent enrollment into category spending

Appendix 4

Emporia State University Operating Expenditures

	All Funds			General Use		
	2002	2012	Change	2002	2012	Change
FTE Enrollment	4,727	4,908	4%	4,727	4,908	4%
Per-Student Spending						
Instruction	\$ 4,866	\$ 6,218	28%	\$ 4,302	\$ 5,357	25%
Academic Support	\$ 1,484	\$ 1,994	34%	\$ 1,347	\$ 1,701	26%
Student Services	\$ 1,150	\$ 1,995	74%	\$ 830	\$ 1,197	44%
	\$ 7,499	\$ 10,207	36%	\$ 6,478	\$ 8,255	27%
Institutional Support	\$ 790	\$ 1,364	73%	\$ 626	\$ 946	51%
Physical Plant	\$ 1,249	\$ 1,656	33%	\$ 1,198	\$ 1,500	25%
Research	\$ 93	\$ 106	15%	\$ 25	\$ 36	45%
Public Service	\$ 512	\$ 549	7%	\$ 57	\$ 179	213%
Scholarships & Fellowships	\$ 1,239	\$ 2,126	72%	\$ 54	\$ 95	76%
Other	\$ 47	\$ 101	115%	\$ -	\$ -	
Auxiliary Enterprises	\$ 727	\$ 958	32%	\$ -	\$ 0	
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 12,156	\$ 17,067	40%	\$ 8,438	\$ 11,011	30%
Total Spending (millions)						
Instruction	\$ 23.0	\$ 30.5	33%	\$ 20.3	\$ 26.3	29%
Academic Support	\$ 7.0	\$ 9.8	40%	\$ 6.4	\$ 8.3	31%
Student Services	\$ 5.4	\$ 9.8	80%	\$ 3.9	\$ 5.9	50%
	\$ 35.4	\$ 50.1	41%	\$ 30.6	\$ 40.5	32%
Institutional Support	\$ 3.7	\$ 6.7	79%	\$ 3.0	\$ 4.6	57%
Physical Plant	\$ 5.9	\$ 8.1	38%	\$ 5.7	\$ 7.4	30%
Research	\$ 0.4	\$ 0.5	19%	\$ 0.1	\$ 0.2	50%
Public Service	\$ 2.4	\$ 2.7	11%	\$ 0.3	\$ 0.9	225%
Scholarships & Fellowships	\$ 5.9	\$ 10.4	78%	\$ 0.3	\$ 0.5	83%
Other	\$ 0.2	\$ 0.5	123%	\$ -	\$ -	
Auxiliary Enterprises	\$ 3.4	\$ 4.7	37%	\$ -	\$ 0.0	
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 57.5	\$ 83.8	46%	\$ 39.9	\$ 54.0	35%

Source: Kansas Board of Regents Databooks; per-student amounts are calculated by dividing full time equivalent enrollment into category spending

Appendix 5

Pittsburg State University Operating Expenditures

	All Funds			General Use		
	2002	2012	Change	2002	2012	Change
FTE Enrollment	5,555	6,984	26%	5,555	6,984	26%
Per-Student Spending						
Instruction	\$ 4,618	\$ 4,986	8%	\$ 4,159	\$ 4,633	11%
Academic Support	\$ 1,118	\$ 1,457	30%	\$ 1,053	\$ 1,259	19%
Student Services	\$ 913	\$ 1,725	89%	\$ 594	\$ 797	34%
	\$ 6,649	\$ 8,168	23%	\$ 5,806	\$ 6,689	15%
Institutional Support	\$ 759	\$ 972	28%	\$ 689	\$ 872	27%
Physical Plant	\$ 1,308	\$ 1,445	10%	\$ 1,290	\$ 1,378	7%
Research	\$ 358	\$ 260	-27%	\$ 3	\$ -	-100%
Public Service	\$ 334	\$ 267	-20%	\$ 59	\$ 51	-13%
Scholarships & Fellowships	\$ 1,046	\$ 2,011	92%	\$ 162	\$ 333	105%
Other	\$ 82	\$ 400	390%	\$ -	\$ 150	
Auxiliary Enterprises	\$ 695	\$ 1,384	99%	\$ -	\$ -	
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 11,231	\$ 14,908	33%	\$ 8,008	\$ 9,472	18%
Total Spending (millions)						
Instruction	\$ 25.7	\$ 34.8	36%	\$ 23.1	\$ 32.4	40%
Academic Support	\$ 6.2	\$ 10.2	64%	\$ 5.9	\$ 8.8	50%
Student Services	\$ 5.1	\$ 12.0	138%	\$ 3.3	\$ 5.6	69%
	\$ 36.9	\$ 57.0	54%	\$ 32.3	\$ 46.7	45%
Institutional Support	\$ 4.2	\$ 6.8	61%	\$ 3.8	\$ 6.1	59%
Physical Plant	\$ 7.3	\$ 10.1	39%	\$ 7.2	\$ 9.6	34%
Research	\$ 2.0	\$ 1.8	-9%	\$ 0.0	\$ -	-100%
Public Service	\$ 1.9	\$ 1.9	0%	\$ 0.3	\$ 0.4	10%
Scholarships & Fellowships	\$ 5.8	\$ 14.0	142%	\$ 0.9	\$ 2.3	158%
Other	\$ 0.5	\$ 2.8	515%	\$ -	\$ 1.0	
Auxiliary Enterprises	\$ 3.9	\$ 9.7	150%	\$ -	\$ -	
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 62.4	\$ 104.1	67%	\$ 44.5	\$ 66.2	49%

Source: Kansas Board of Regents Databooks; per-student amounts are calculated by dividing full time equivalent enrollment into category spending

Appendix 6

Fort Hays State University Operating Expenditures

	All Funds			General Use		
	2002	2012	Change	2002	2012	Change
FTE Enrollment	4,575	8,198	79%	4,575	8,198	79%
Per-Student Spending						
Instruction	\$ 5,129	\$ 4,365	-15%	\$ 4,734	\$ 3,280	-31%
Academic Support	\$ 2,033	\$ 1,709	-16%	\$ 1,578	\$ 1,278	-19%
Student Services	\$ 855	\$ 1,102	29%	\$ 622	\$ 769	24%
	\$ 8,017	\$ 7,175	-10%	\$ 6,933	\$ 5,327	-23%
Institutional Support	\$ 748	\$ 1,285	72%	\$ 681	\$ 1,211	78%
Physical Plant	\$ 1,271	\$ 962	-24%	\$ 1,248	\$ 913	-27%
Research	\$ 14	\$ 55	307%	\$ 4	\$ 3	-30%
Public Service	\$ 659	\$ 660	0%	\$ 46	\$ 35	-23%
Scholarships & Fellowships	\$ 1,144	\$ 2,274	99%	\$ 21	\$ 149	609%
Other	\$ 30	\$ 186	518%	\$ -	\$ 151	
Auxiliary Enterprises	\$ 1,033	\$ 924	-11%	\$ -	\$ -	
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 12,916	\$ 13,522	5%	\$ 8,932	\$ 7,788	-13%
Total Spending (millions)						
Instruction	\$ 23.5	\$ 35.8	52%	\$ 21.7	\$ 26.9	24%
Academic Support	\$ 9.3	\$ 14.0	51%	\$ 7.2	\$ 10.5	45%
Student Services	\$ 3.9	\$ 9.0	131%	\$ 2.8	\$ 6.3	121%
	\$ 36.7	\$ 58.8	60%	\$ 31.7	\$ 43.7	38%
Institutional Support	\$ 3.4	\$ 10.5	208%	\$ 3.1	\$ 9.9	219%
Physical Plant	\$ 5.8	\$ 7.9	36%	\$ 5.7	\$ 7.5	31%
Research	\$ 0.1	\$ 0.5	628%	\$ 0.0	\$ 0.0	25%
Public Service	\$ 3.0	\$ 5.4	79%	\$ 0.2	\$ 0.3	37%
Scholarships & Fellowships	\$ 5.2	\$ 18.6	256%	\$ 0.1	\$ 1.2	1171%
Other	\$ 0.1	\$ 1.5	1007%	\$ -	\$ 1.2	
Auxiliary Enterprises	\$ 4.7	\$ 7.6	60%	\$ -	\$ -	
Restricted Use Non-Reportable Student Loans	\$ -	\$ -		\$ -	\$ -	
Total Operating Expense	\$ 59.1	\$ 110.9	88%	\$ 40.9	\$ 63.8	56%

Source: Kansas Board of Regents Databooks; per-student amounts are calculated by dividing full time equivalent enrollment into category spending

Appendix 7

Six State-Funded Universities' Operating Expenditures

	All Funds			General Use		
	2002	2012	Change	2002	2012	Change
FTE Enrollment	67,027	75,080	12%	67,027	75,080	12%
Per-Student Spending						
Instruction	\$ 5,769	\$ 7,177	24%	\$ 4,692	\$ 5,960	27%
Academic Support	\$ 1,623	\$ 2,299	42%	\$ 1,370	\$ 1,933	41%
Student Services	\$ 913	\$ 1,384	51%	\$ 531	\$ 761	43%
	\$ 8,306	\$ 10,860	31%	\$ 6,593	\$ 8,653	31%
Institutional Support	\$ 1,011	\$ 1,608	59%	\$ 849	\$ 1,354	59%
Physical Plant	\$ 1,365	\$ 1,813	33%	\$ 1,262	\$ 1,638	30%
Research	\$ 2,219	\$ 3,773	70%	\$ 762	\$ 834	9%
Public Service	\$ 1,145	\$ 1,433	25%	\$ 448	\$ 476	6%
Scholarships & Fellowships	\$ 2,898	\$ 4,318	49%	\$ 63	\$ 573	807%
Other	\$ 70	\$ 315	349%	\$ -	\$ 195	
Auxiliary Enterprises	\$ 1,088	\$ 1,854	70%	\$ 0	\$ 12	2961%
Restricted Use Non-Reportable Student Loans	\$ -	\$ 1,760		\$ -	\$ -	
Total Operating Expense	\$ 18,102	\$ 27,734	53%	\$ 9,978	\$ 13,736	38%
Total Spending (millions)						
Instruction	\$ 386.7	\$ 538.9	39%	\$ 314.5	\$ 447.4	42%
Academic Support	\$ 108.8	\$ 172.6	59%	\$ 91.8	\$ 145.1	58%
Student Services	\$ 61.2	\$ 103.9	70%	\$ 35.6	\$ 57.1	60%
	\$ 556.7	\$ 815.4	46%	\$ 441.9	\$ 649.7	47%
Institutional Support	\$ 67.8	\$ 120.7	78%	\$ 56.9	\$ 101.7	79%
Physical Plant	\$ 91.5	\$ 136.1	49%	\$ 84.6	\$ 123.0	45%
Research	\$ 148.7	\$ 283.3	90%	\$ 51.1	\$ 62.6	23%
Public Service	\$ 76.7	\$ 107.6	40%	\$ 30.0	\$ 35.7	19%
Scholarships & Fellowships	\$ 194.3	\$ 324.2	67%	\$ 4.2	\$ 43.0	916%
Other	\$ 4.7	\$ 23.6	402%	\$ -	\$ 14.7	
Auxiliary Enterprises	\$ 72.9	\$ 139.2	91%	\$ 0.0	\$ 0.9	3329%
Restricted Use Non-Reportable Student Loans	\$ -	\$ 132.1		\$ -	\$ -	
Total Operating Expense	\$ 1,213.3	\$ 2,082.2	72%	\$ 668.8	\$ 1,031.3	54%

Source: Kansas Board of Regents Databooks; per-student amounts are calculated by dividing full time equivalent enrollment into category spending

ⁱ “Kansas Board of Regents recommends \$47.1 million budget increase for higher education,” Lawrence Journal-World; accessed April 2, 2013 at http://www2.ljworld.com/news/2012/sep/20/statehouse-live-kansas-board-regents-recommends-47/?kansas_legislature

ⁱⁱ All references to years in this analysis are to fiscal / school years rather than calendar.

ⁱⁱⁱ Databooks published by The Kansas Board of Regents were accessed at various dates in April at <http://data.kansasregents.org/reports/DATABOOK/>

^{iv} The Board of Regents is up 26.4 percent over ten years and received \$170.2 million in 2012. The KU Medical Center is up 0.2 percent at \$104.3 million. The K-State ESARP is down 1.8 percent at \$48.3 million and the K-State Veterinary School is up 2.3 percent at \$10.3 million.

^v <http://www.fhsu.edu/osp/international-partnerships/>

^{vi} Universities often reference the Higher Education Price Index (HEPI), which is more a measure of changes in university spending rather than simply inflation; the more they spend on salary increases, for example, the higher the change reflected in the index. HEPI is maintained by Commonfund, which provides investment management services to educational endowments and other clients.

^{vii} “State University Databook 2013,” Kansas Board of Regents, Glossary accessed on April 4, 2013 at <http://data.kansasregents.org/reports/DATABOOK/databook2013.jsp>

^{viii} Ibid

^{ix} Ibid

^x For example, Emporia State University had the smallest balance (\$3.8 million) in their General Fees fund as of June 30, 2012. A 1% reduction in State Aid would be a little over \$300,000 for ESU. If that same cash balance exists on June 30, 2013 and such reduction in State Aid occurred, ESU could reduce their cash reserves accordingly and still have approximately \$3.5 million carryover balance in that fund. The same test was run for all universities.

^{xi} “State Universities: Can State Universities Provide Postsecondary Education More Efficiently To Reduce Costs?” Kansas Legislative Division of Post Audit; accessed April 7 at <http://www.kslpa.org/docs/reports/08pa24a.pdf>

^{xii} “Summary Narrative on the State Universities’ Responses to the August 2009 Post Audit Report,” given to members of the Legislative Post Audit Committee on April 1, 2013 by LPA staff; copy in authors’ possession.

^{xiii} Based on review of Databooks for each year; inflation calculated as previously described.

^{xiv} K.S.A 76-7,125 through 76-7, 133 State Educational Institution Project Delivery Construction Procurement Act http://kansasstatutes.lesterama.org/Chapter_76/Article_7/#76-7,125

^{xv} Testimony by Jim Modig, Director of KU Office of Design and Construction Management, <http://publicaffairs.ku.edu/sites/publicaffairs.drupal.ku.edu/files/docs/testimonies/012312Modigttestimony.pdf>

^{xvi} HB 2429, http://www.kslegislature.org/li_2012/b2011_12/measures/hb2429/

^{xvii} “Better Service, Better Price: how privatization can streamline government, improve services, and reduce costs for Kansas taxpayers;” Kansas Policy Institute and Reason Foundation, available online at <http://www.kansaspolicy.org/researchcenters/budgetandspending/budgetandspendingstudies/101605.aspx>