

# STATE APPROPRIATIONS



The table below shows JMU's total E&G funding (tuition, E&G fees and general funds) per FTE student in relation to its public national peer group for 2000-01 – the most recent year for which the data are available. JMU is dead last out of the 19 public universities that shared their data — as it has been for each year these data have been available. At \$8,125 per FTES, JMU is \$2,365 below the median and \$2,639 below the 60<sup>th</sup> percentile. For 2000-01, JMU would have required an additional \$34.0 million in E&G operating funds to reach the median of its national peer group or \$37.9 million to reach the 60<sup>th</sup> percentile. This is **before** the significant state appropriations reductions between FY 2002 and FY 2004.

**TOTAL FUNDING PER FTE STUDENT  
JMU National Peer Group (Public Institutions Only)  
2000-01 Data**

Institution	FTE Students	Tuition & Fees	State Appropriations	Total Tuition & Fees Plus State Appropriations	Total Revenue Per FTES
University of Rhode Island (RI)	11,550	\$88,489,787	\$81,220,837	\$169,710,624	\$14,694
Ohio University (OH)	18,616	132,426,857	126,989,349	259,416,206	13,935
SUNY Binghamton (NY)	11,440	52,074,286	100,317,041	152,391,327	13,321
University of Northern Iowa (IA)	12,391	42,963,437	97,981,604	140,945,041	11,375
University of North Dakota (ND)	9,850	44,870,737	67,165,365	112,036,102	11,374
University of Oregon (OR)	16,104	108,156,641	71,362,718	179,519,359	11,148
SUNY College-Brockport (NY)	6,859	28,735,946	45,334,570	74,070,516	10,799
California State University-Fresno (CA)	15,765	42,926,000	126,631,000	169,557,000	10,755
Indiana University of Pennsylvania (PA)	12,225	70,471,579	60,871,943	131,343,522	10,744
California State University-Chico (CA)	14,543	39,840,650	109,010,846	148,851,496	10,235
Towson University (MD)	13,747	76,274,663	64,180,645	140,455,308	10,217
Appalachian State University (NC)	12,154	37,024,986	86,371,852	123,396,838	10,153
Salisbury State University (MD)	5,574	25,290,486	28,100,148	53,390,634	9,579
University of Tennessee-Chattanooga (TN)	6,791	25,405,032	38,799,600	64,204,632	9,454
College of Charleston (SC)	9,649	50,357,786	40,809,776	91,167,562	9,448
Western Washington University (WA)	11,847	49,789,666	56,611,625	106,401,291	8,981
SUNY Oswego (NY)	7,060	28,808,545	34,471,509	63,280,054	8,963
Middle Tennessee State University (TN)	16,383	59,551,223	76,534,800	136,086,023	8,307
<b>James Madison University (VA)</b>	<b>14,372</b>	<b>51,903,838</b>	<b>64,870,862</b>	<b>116,774,700</b>	<b>8,125</b>
			Median		\$10,235
			60 <sup>th</sup> Percentile		\$10,753

Notes

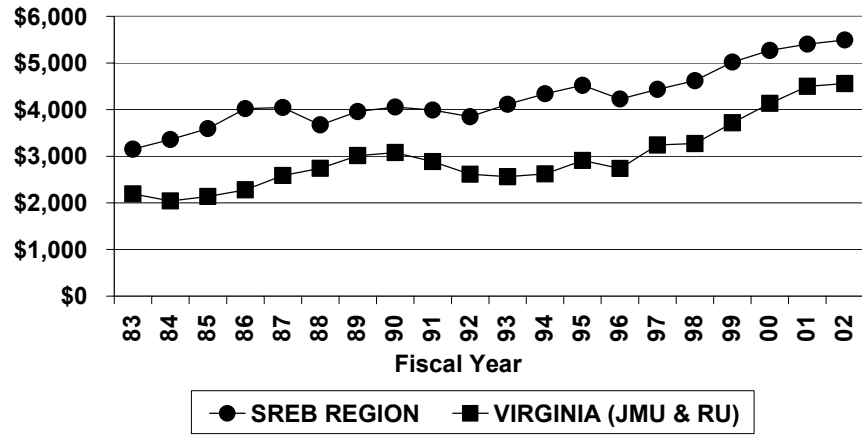
1. All data are taken from the 2000-01 IPEDS Finance (F1) and EF forms.
2. FTE students were calculated from Fall 2000 headcount data using the standard federal methodology.

### 3.2 Regional Trends

During the period of 1982-83 through 2001-02, Virginia ranked near the top in tuition and required fees among SREB Four-Year 3 institutions in the Southern Region Education Board states.

During this same time period, state general fund operating appropriations per FTE student in Virginia ranked near the bottom among similar institutions in SREB states.

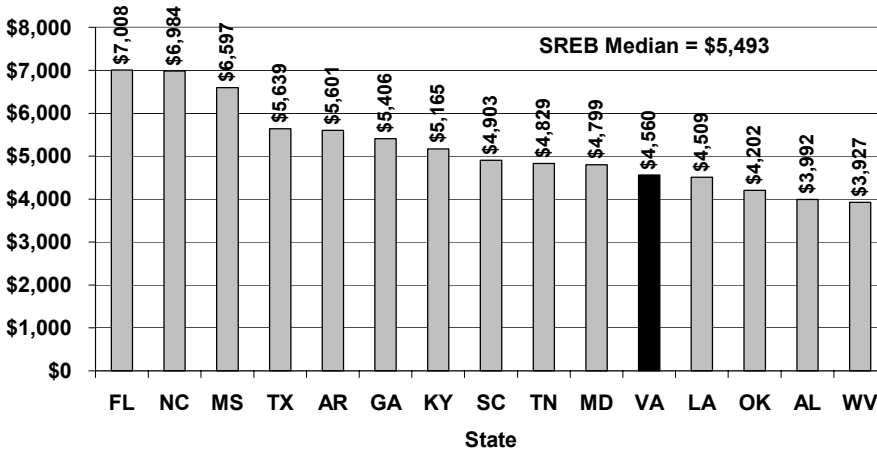
**GF Appropriations Per Student Comparisons  
Four-Year 3 Institutions**



Source: SREB Data Exchange

Per-student funding for Virginia's Four-Year 3 institutions gained ground on the SREB regional average over the past twelve years. Since 1990-91, the funding per full-time equivalent (FTE) student at JMU rose 58.1 percent while the SREB regional average increased 37.7 percent.

**2001-02 General Fund Appropriation  
Per FTES, Four-Year 3 Institutions**



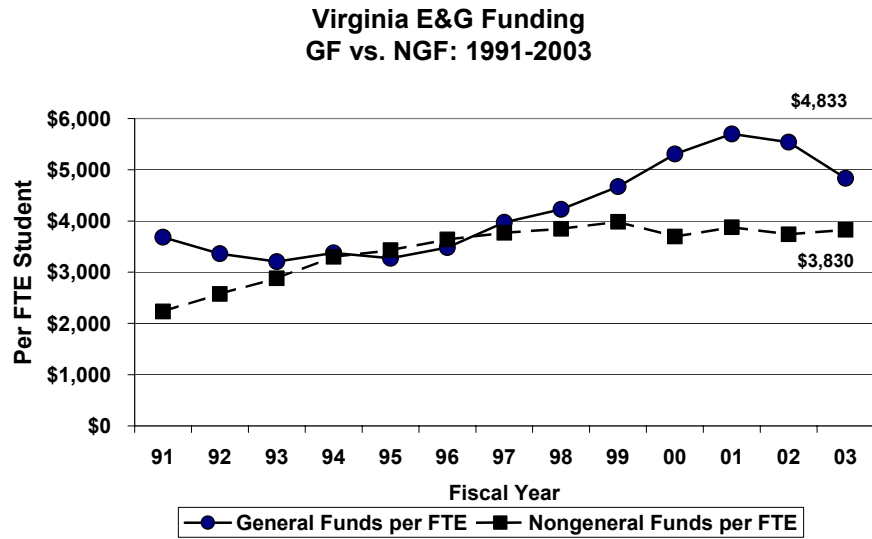
Source: SREB Data Exchange

This is appreciably better than 1994-95 when JMU's appropriation decreased by 3.4 percent compared with an increase of 14.1 percent for SREB institutions.

Per FTE student funding in Virginia was \$933 below the regional median of \$5,493 for comparable institutions in 2001-02.

### 3.3 State Trends

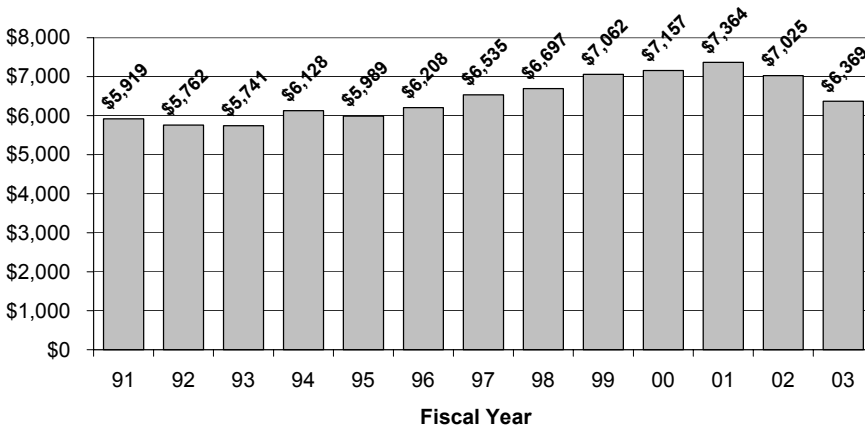
As the chart to the right indicates, the funding of higher education in Virginia has been greatly influenced by policy and budgetary developments. In 1990-91 non-general funds per student were about 60 percent of general funds. By 1995-96 non-general funds per student were higher than general funds, indicating that students bore a significantly higher proportion of their total educational costs. The situation improved markedly between 1996-97 and 2000-01, but the current budget problems will result in the funding distribution returning to the values that existed in the mid-1990s.



Source: SCHEV

The magnitude of the shift is readily apparent. In 1991, students in Virginia's public higher education system paid, on the average, 37.7 percent of the cost of their education. In 2002-03, prior to the mid-year budget reductions, students paid 44.2 percent, up from 40.3 percent in 2001-02. While the data were prepared for the Virginia higher education system as a whole, it closely tracks the relationship between general and non-general funds for JMU's E&G budget.

Virginia E&G Total Funding Per FTE Student In 1991 Constant Dollars

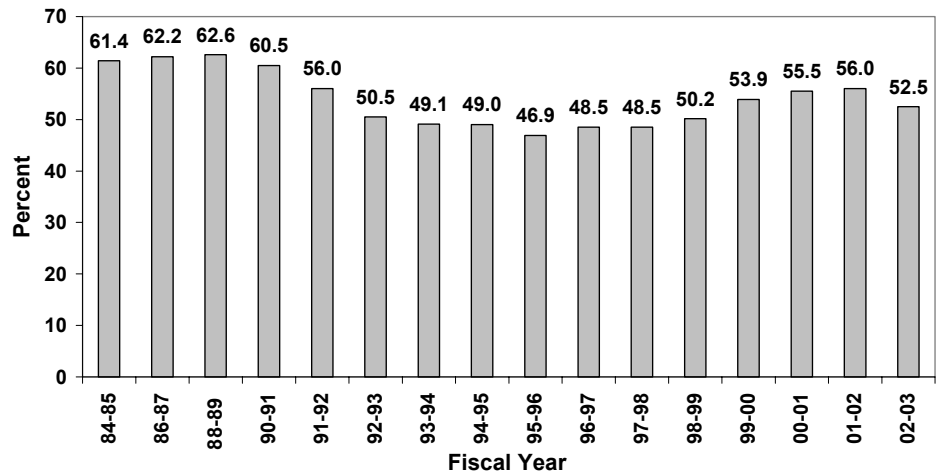


Source: SCHEV

As demonstrated in the chart to the left, total E&G funding in 2002-03 exceeded the 1990-91 funding. In constant 1990-91 dollars, total system-wide E&G funding per FTE student has increased from \$5,919 to \$6,369—a 7.6 percent increase before the budget reversions. The numerical impact of the budget reversions and tuition increases for Spring 03 will become clearer later in the spring.

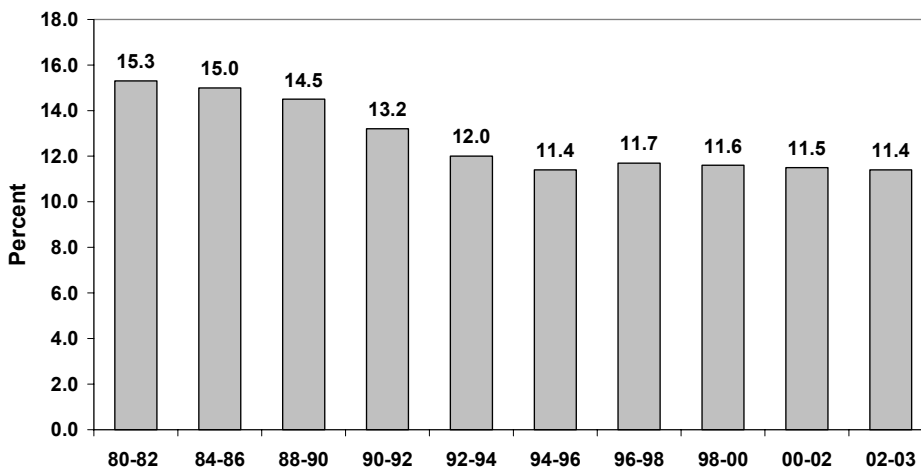
State general fund support to JMU dropped from 61.4 percent of the total educational and general (E&G) appropriation in 1984-85 to 46.9 percent in 1995-96. The percentage increased to 56.0 in 2001-02, but dropped to 52.5 percent in 2002-03 prior to budget reversions and spring tuition increases. While improvement occurred between 1995-96 and 2001-02, the percentage is still significantly below the years 1984-85 to 1989-90. Virginia's budget shortfall will result in this percentage declining to percentages similar to those of the more difficult budget years of the mid-1990s.

**JMU General Fund as a % of Total E&G  
1984-85 to 2002-03**



Source: SCHEV

**Virginia Higher Education Appropriation  
Percent of Total General Fund Appropriations**

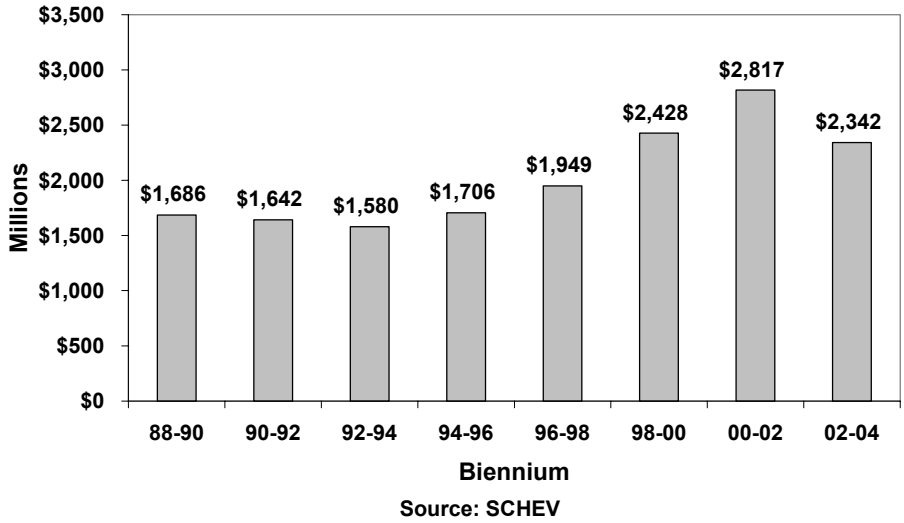


Source: SCHEV

Higher education's share of Virginia's total general fund appropriation decreased from 15.3 percent in the 1980-82 biennium to 11.4 percent during the 1994-96 biennium. The funding situation remained fairly constant until 2002-03, when it again was 11.4 percent. However, these data were prior to the reductions for 2003-04. Data for 2003-04 will not be available until after the 2003 General

Assembly. In all likelihood the percentage may decline further since higher education has been asked to absorb a \$300+ million decrease in general fund appropriation between 2001-02 and 2003-04.

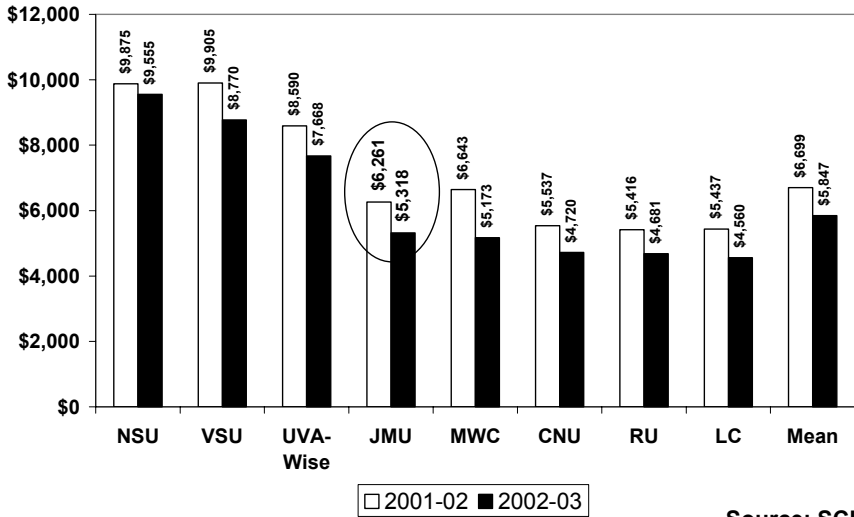
**General Fund Appropriations for Higher Education  
(After October 2002 Reversions)**



The results of the General Assembly's actions are also shown in the chart on the left. Although the percent of the state's general fund budget dedicated to higher education decreased from 1992-94 to 1994-96, total general fund appropriations to higher education increased steadily from 1994-96 to 2000-02. However, the State's budget crisis has resulted in drastic reductions in the 2002-04 General Fund appropriations.

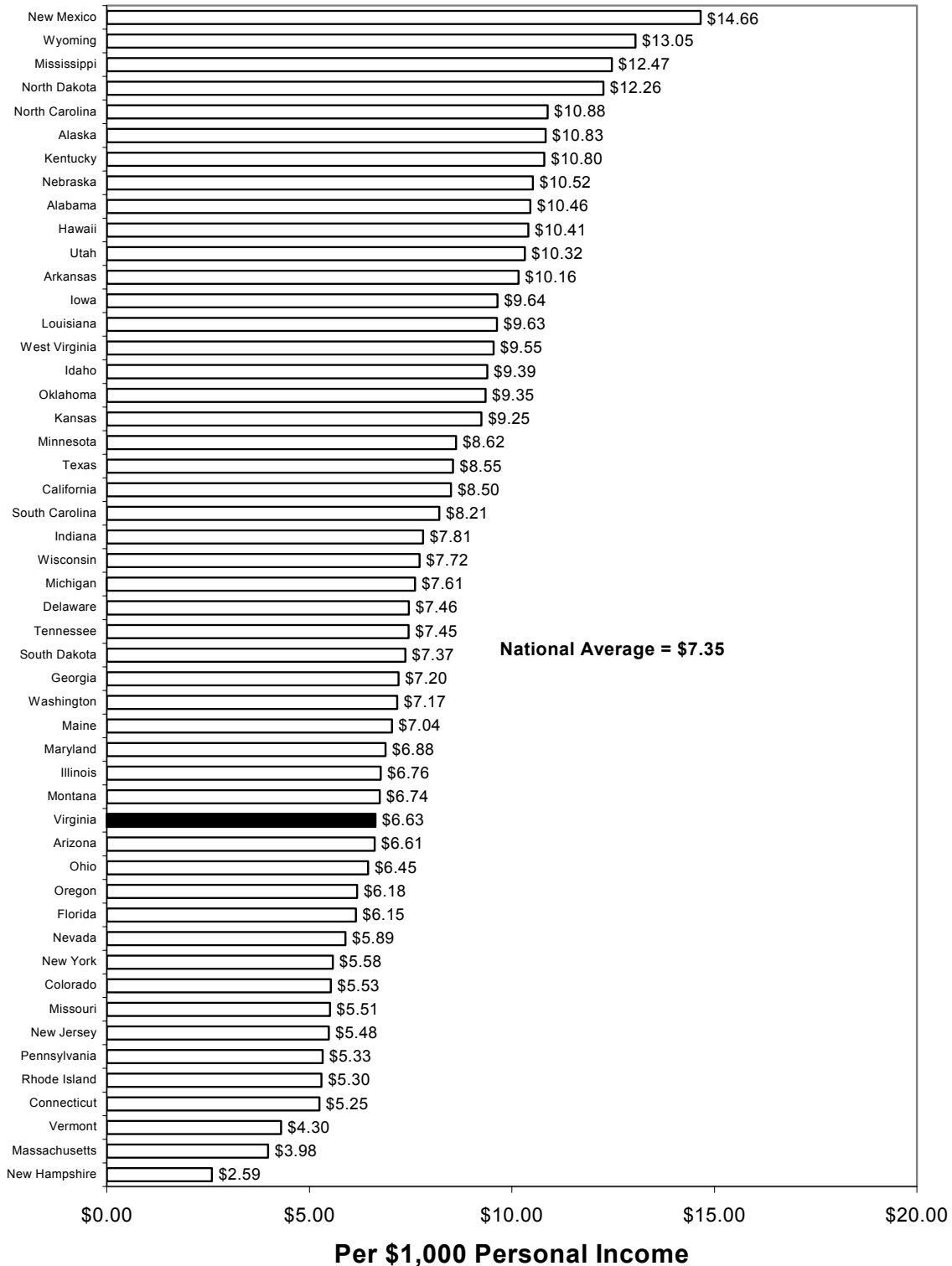
JMU's 2001-02 general fund appropriation per in-state FTE student was \$437 below the average of the Virginia comprehensive colleges and universities. Its 2002-03 appropriation was \$943 below 2001-02. Were JMU to be funded at the average for comprehensive institutions in 2002-03, its general fund appropriation would increase by \$5.6 million.

**General Fund Appropriations  
Per In-State FTE Student 2001-02 And 2002-03  
(After October 2002 Reversions)**



As the Commonwealth's two Four-Year 3 institutions, JMU and Radford are in a higher category than all other state comprehensive colleges and universities. In most state higher education systems, higher category institutions receive higher per student appropriations needed to meet their more complex missions.

## Appropriations of State Tax Funds for Operating Expenses of Higher Education per \$1,000 of Personal Income FY 2003



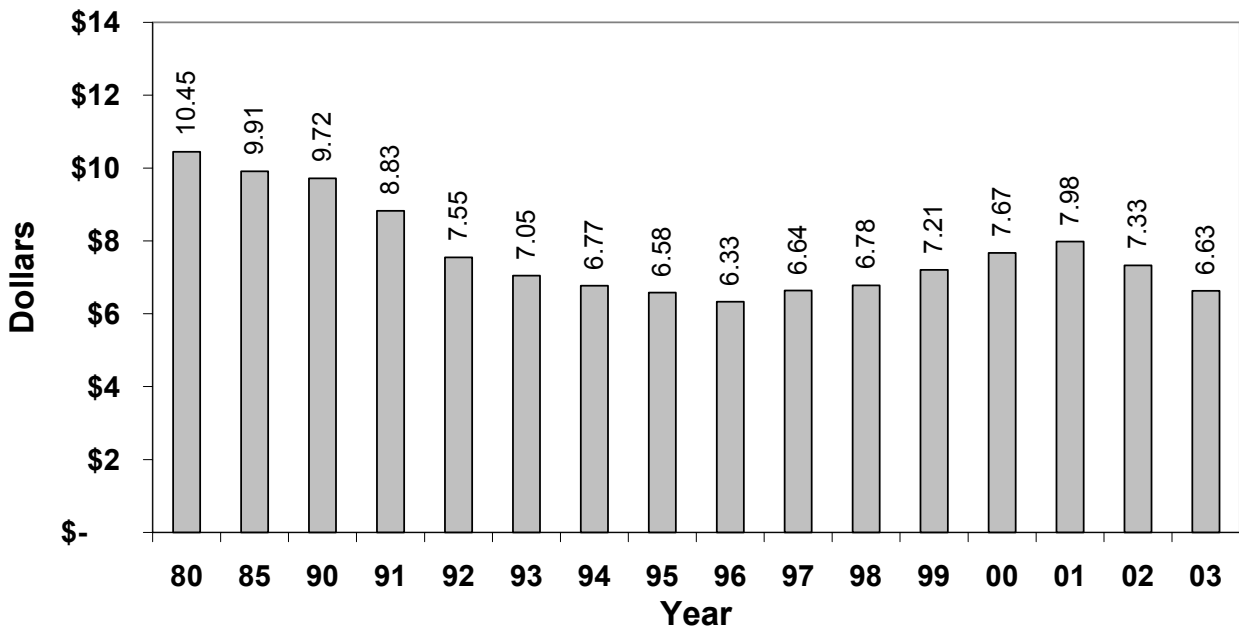
Source: Postsecondary Education Opportunity, December 2002

The graphic on the previous page and the one below examine higher education funding in terms of what is generally called “effort.” This term refers to funding as measured against a state’s economic base — or, its ability to generate tax revenues. The two graphics use personal income as a measure of the size of a state’s economic base. This seems to be a reasonable assumption since most states rely heavily on personal income tax for general fund revenues.

The graph on the previous page shows Virginia’s effort as compared to the rest of the U.S. Virginia appropriates \$6.63 to the operation of its public higher education system for each \$1,000 of personal income—or \$0.72 below the national mean of \$7.35. This level places the Commonwealth in 35<sup>th</sup> place out of the 50 states, a fall of eight places in the last year. However, these data were collected prior to the budget reductions of Fall 2002 and we can expect Virginia to fall further once these cuts are taken into account.

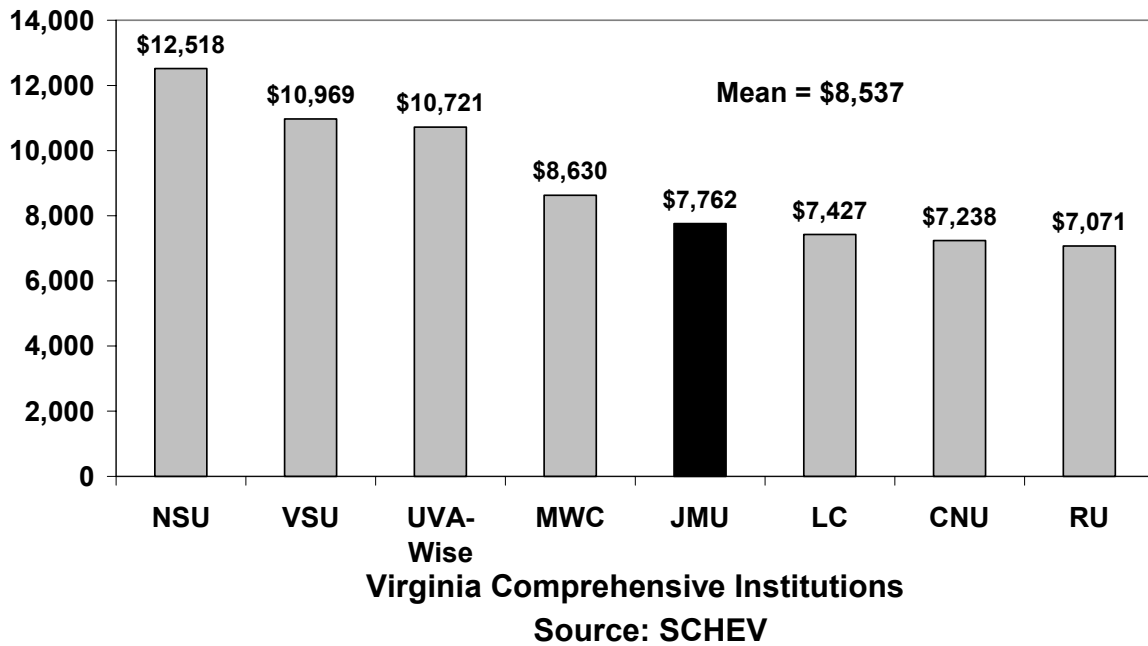
The graph presented below demonstrates the changes in the Commonwealth’s higher education effort since 1980. From a high of appropriating \$10.45 per \$1,000 in income in 1980, Virginia dropped to \$6.63 in the current fiscal year. This represents a 37 percent decline during the period.

### Virginia Appropriations of State Tax Funds for Higher Education per \$1,000 of Personal Income



Source: Postsecondary Education Opportunity, December 2002

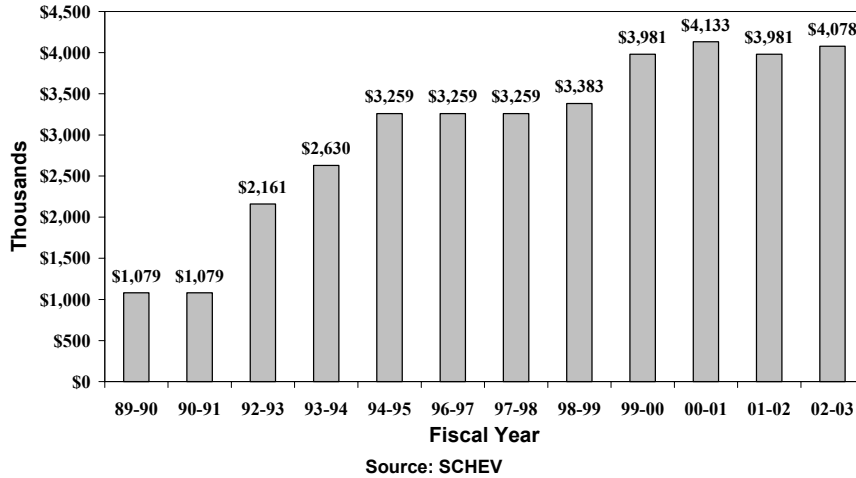
**Total E&G Appropriation  
Per FTE Student 2002-03**



JMU's total E&G appropriation per FTE student (state appropriations plus tuition and E&G fees) increased from \$4,778 in 1991-92 to \$7,857 in 2001-02. For 2002-03, prior to the budget reversions, JMU's total E&G appropriation was \$7,762, \$775 below the state comprehensive average.

### 3.4 Financial Aid Appropriations

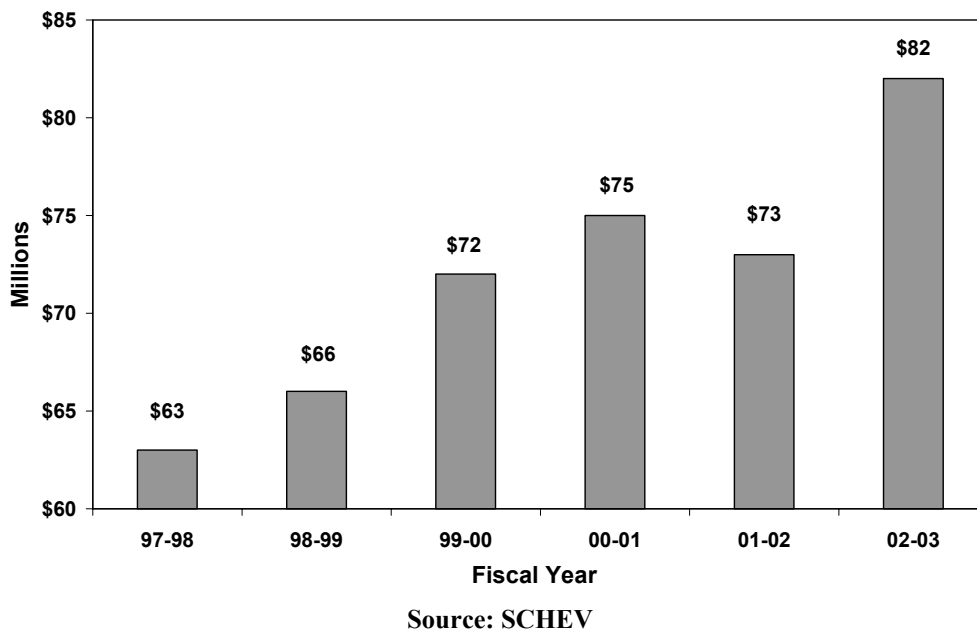
**James Madison University  
State Aid Appropriations**



The Virginia General Assembly became concerned about the impact of the sizable tuition increases necessitated by reduced general fund appropriations for higher education on students' ability to afford a college education. To partially offset the increases in tuition and fees, the Assembly increased financial aid appropriations for public institutions. Between 1989-90 and 2002-03, the financial aid appropriations for JMU increased by 278 percent.

During the 1996—2002 biennia, the General Assembly also addressed these concerns by providing funding to freeze, and then lower in-state tuition. The 2001-02 appropriations reverted to 1999-00 due to the budget impasse in 2001. In 2002-03 nearly \$10 million in additional funds were allocated to offset the increased tuition for students with financial need.

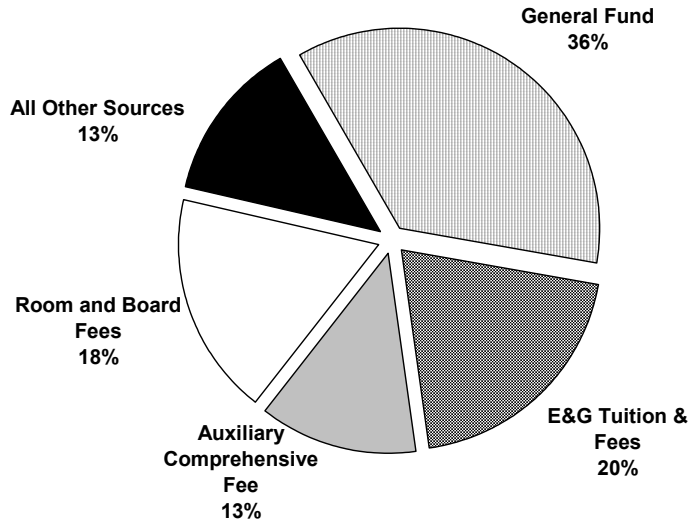
**Virginia State General Fund Student Aid Appropriations**



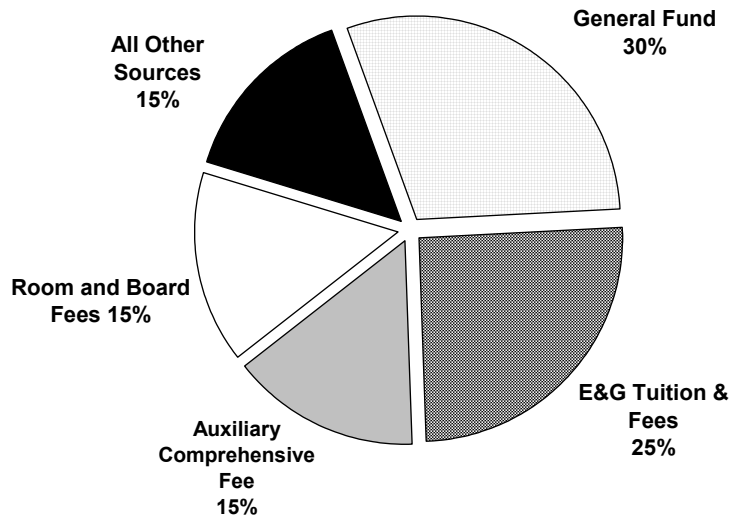
### 3.5 JMU Total Operating Revenues

General Fund appropriations provided 36 percent of all JMU sources of revenue in 1988-89. During 2002-03, the same source is projected to provide 30 percent of all revenue. Correspondingly, E&G tuition and fees have risen from 20 percent of all revenues to 25 percent over the same period. This trend will likely occur for the next several years.

**Distribution of JMU Total Operating Revenues 1988-89**



**Distribution of JMU Total Operating Revenues 2002-03**



Source: Budget Office