

1.0 ISSUES

- The national recession and ensuing state revenue declines continue to impact Virginia's public higher education institutions on a more severe level than much of the nation. Virginia reduced general fund appropriations for operating costs for higher education by 5.5% compared to a national average reduction of 2.1% and an average reduction of 0.8% among Southern Regional Education Board states.
- James Madison University (JMU) continues to lag behind the average of other Virginia comprehensive institutions in appropriations per student. Our 2003-04 general fund appropriation per in-state student year is \$487 less than our general fund appropriation per in-state student for 2002-03. In order for JMU to be funded at the average, our general fund appropriation would need to be increased by \$9.2 million.
- JMU now ranks sixth among Virginia comprehensive colleges and universities in total per student E&G appropriation — general fund, tuition and E&G fees. The university's 2003-04 E&G appropriation per FTES is \$848 below the state average for comprehensive institutions. JMU would require an additional \$13.5 million in total E&G funds to reach the average.
- Compared to its national peer group (public institutions only), JMU ranks last in total E&G funding per FTE student. JMU would need an additional \$2,120 per student — or \$31.0 million for the institution — to reach the peer group median.
- The university continues to be a financially effective institution. On the most commonly used indicator of financial effectiveness (percent of operating expenditures devoted to instruction and academic support), JMU ranks second among its peer group and the highest among the state's comprehensive institutions. JMU also spends less on administration per student than any other Virginia public college or university and is the third lowest of 19 institutions reporting comparable data in its national peer group on percent of E&G budget expended on institutional support. These data indicate that JMU focuses its financial resources on its primary mission of instruction.
- Virginia remains — in spite of its absolute dollar increase in general fund support to higher education for 1995-96 to 2001-02 — a high tuition and fee state. The Commonwealth ranks ninth highest out of 50 states and the fourth highest in the southern region for 2003-04 in-state undergraduate student charges. Virginia also remains low in general fund support for higher education. Regionally, the Commonwealth ranks 14th out of 15 southern states on this important indicator.
- An education at a state public college or university has become less affordable for the average Virginian. The average cost of a year's higher education at a public college or university rose from 33.8 percent of per capita disposable income in 2002-03 to 36.6 percent in 2003-04. Prior to 2002-03, the percentage had declined every year since its high in 1995-96 of 40.3%.