

## INTRODUCTION

This report has been prepared for the James Madison University Board of Visitors. The material presented herein is a continuation of similar reports prepared for the board since 1990. Most of the data update tables, charts and graphs from these previous reports. The emphasis on continuity is purposeful. It is intended to provide consistent, annual reporting that concentrates on building a longitudinal database that can be used for trend analysis.

The purpose of this report is to identify and describe significant national, regional and state factors affecting the financing of higher education. Trends affecting tuition and fees, state appropriations and expenditure are analyzed in separate sections of the report.

Some highlights of this year's report include the following data from the '04-'05 fiscal year:

- Concerns over rising costs of attending colleges and universities have heightened in the past few years and have influenced in-state policies regarding tuition and fees.
- Among the state's fifteen four-year colleges and universities, JMU's in-state tuition ranks 13<sup>th</sup> highest, required fees ranks 4<sup>th</sup>, and room and board ranks 5<sup>th</sup>. Total in-state tuition, required fees, and room and board ranks 8<sup>th</sup> and JMU's out-of-state total cost ranks 7<sup>th</sup>.
- Nationally, the majority of states have experienced dramatically decreased revenues – combined with significant pressures to fund a variety of critical initiatives. One result of this difficult combination of factors has been a decline in state appropriations going to higher education.
- During the period of 1982-83 through 2004-05, Virginia ranked near the top in tuition and required fees among Four-year 3 institutions in the Southern Region Education Board (SREB) 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. In 2004-05 Virginia ranked 12<sup>th</sup> out of 15 states.
- Virginia institutions have more resources for operations now than they had 15 years ago, but this increase was generated from tuition revenue, not from state support. This trend has been demonstrated through the funding received by JMU in recent years.
- In the 2004-06 biennium \$6.2 million in additional funds were allocated by the Commonwealth of Virginia to offset the increased tuition for students with financial needs.
- JMU's financial resources remain highly concentrated on instruction, JMU's core business.
- In terms of faculty salaries, JMU's current position is 16<sup>th</sup> out of 25 of its national peer institutions. The July faculty raises for 2004-05 were funded to increase equity between JMU and its peer institutions.
- Between 1989-90 and 1999-00 the appropriated salary raises for faculty and classified staff slightly exceeded the CPI due to the higher raises and lower CPI in the last three years.

# TABLE OF CONTENTS

	<u>Page</u>
1.0 <b>ISSUES</b> .....	1
2.0 <b>TUITION AND FEES</b> .....	2
2.1 National Trends.....	2
2.2 Regional Trends.....	8
2.3 State Trends .....	11
2.4 JMU Tuition and Fee History .....	15
3.0 <b>STATE APPROPRIATIONS</b> .....	16
3.1 National Trends.....	16
3.2 Regional Trends.....	18
3.3 State Trends .....	19
3.4 Financial Aid Appropriations .....	25
3.5 JMU Total Operating Revenues .....	26
4.0 <b>EXPENDITURES</b> .....	27
4.1 Total Operating Expenditures.....	27
4.2 Faculty and Staff Salaries .....	32

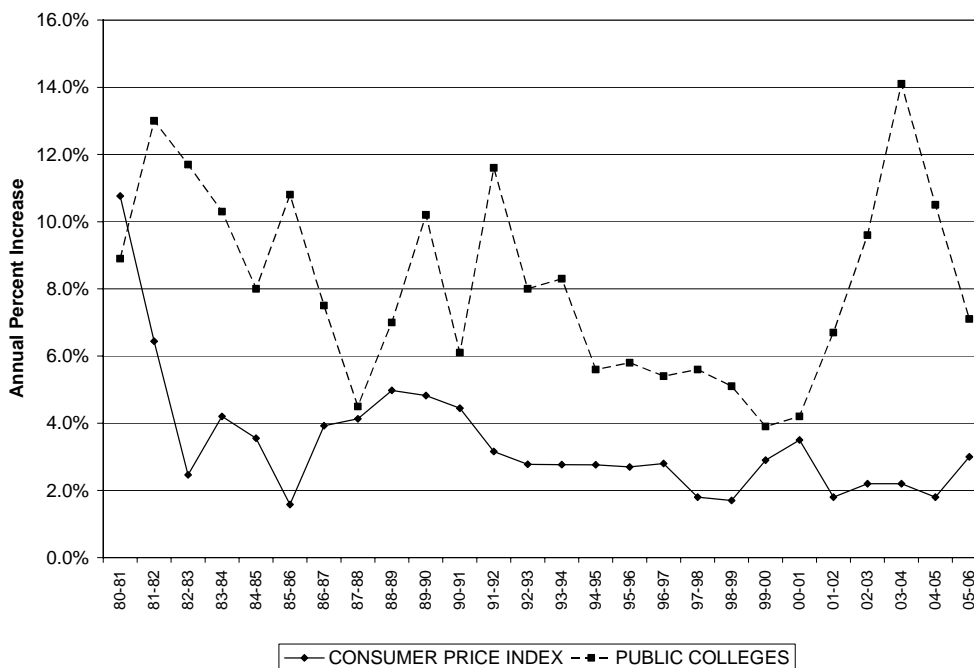
## 1. ISSUES

- 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 37.1% of per capita disposable income in 2004-05 to 37.5% in 2005-06. Prior to 2002-03, the percentage had declined every year since its high in 1995-96 of 40.3%.
- 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 twelfth highest out of 50 states and the third highest in the southern region for 2004-05 in-state undergraduate student charges. Virginia also remains low in general fund support for higher education. Nationally the Commonwealth ranks 38<sup>th</sup> in appropriations per \$1,000 in personal income in FY 06 and regionally, ranks 14<sup>th</sup> out of 15 southern states in FY 2003-04 on this important indicator.
- Compared to its national peer group (public institutions only), JMU ranks third to last in total E&G funding per FTE student. JMU would need an additional \$1,531 per student — or \$24.2 million for the institution — to reach the peer group median.
- James Madison University (JMU) continues to lag behind the average of other Virginia comprehensive institutions in appropriations per student. JMU's 2005-06 general fund appropriation per in-state FTE student was \$1,490 below the average of all Virginia 4-year public institutions. Were JMU to be funded at the average for all 4-year institutions in 2005-06, its general fund appropriation would increase by \$16.0 million.
- JMU remains fifth among the nine Virginia comprehensive colleges and universities in total per student E&G appropriation — general fund, tuition and E&G fees. The university's 2005-06 E&G appropriation per FTE is \$959 below the state average for comprehensive institutions.
- 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 first 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 Education and General (E&G) budget expended on institutional support. These data indicate that JMU focuses its financial resources on its primary mission of instruction.
- For 2005-2006, state revenue increases provided Virginia's public higher education institutions with a higher General Fund (GF) appropriation (on average) than much of the nation. Virginia increased GF appropriations for operating costs for higher education by 18.4% compared to a national average increase of 9.7% and an average increase of 9.0% among Southern Regional Education Board (SREB) states.

## 2.0 TUITION AND FEES

### 2.1 National Trends

**Changes in College Tuition  
Compared With Consumer Price Index**



Concerns over the rising costs of attending colleges and universities have heightened in the past few years and are influencing state policies regarding tuition and fees. Since 1981-82 the average cost of attending colleges and universities has increased faster than the rate of inflation as measured by the Consumer Price Index (CPI). As indicated by the chart above, this trend strengthened markedly between 2000-01 and 2004-05 as states reduced general fund appropriations for public higher education in response to declining tax revenues. Colleges and universities increased tuition to compensate. There was considerable improvement in 2005-06 as the economy improved in most states, including Virginia.

Factors involved in rising costs for higher education include:

- Reduction in state general fund support,
- Faculty salaries rising faster than general inflation,
- Relative decline in federal student grant programs,
- High cost of institutionally funded financial aid,
- Migration of students from low to high cost disciplines,
- Administrative support and governmentally imposed requirements have risen,
- The need to keep pace with new technologies,
- Federal funding for research has not kept up with institutional expenditures for research,
- Program expansion, and
- New construction or renovation.

Expanding enrollments in the 1960s and 70s permitted colleges and universities to spread fixed

costs and increase total expenditures (15 percent per year from 1970 to 1975) while holding per student expenditure increases to 4.0 percent annually. In the decade of the 1980s, the rate of increase in tuition did not come down as fast as the CPI because — at least in part — students were paying a larger share of the costs of their education. In the public sector, more than half of the added tuition revenue from 1982 to 2005 represents increases in the share of educational costs borne by students to compensate for decreases in state general fund support.

Virginia's tuition and fees are higher than corresponding national and regional charges. The Commonwealth's position as a high tuition state is reflected in national comparisons that rank Virginia 12<sup>th</sup> highest among the fifty states. This is an improvement from previous years when Virginia was ranked as high as 2<sup>nd</sup>. The lower ranking reflects the tuition freeze initiated by Governor Allen in 1996 and funded by the 1996 through 2001 General Assemblies.

The 1998 Acts of Assembly established the Joint Subcommittee on Higher Education Funding Policies to develop funding guidelines. The Joint Subcommittee adopted higher education funding guidelines for Virginia public institutions in December 2000. The funding guidelines for operation and maintenance of plant were developed and added to the higher education funding guidelines in 2001.

In addition, the Joint Subcommittee on Higher Education Funding Policies adopted a fund share policy of 67/33 between general fund support and tuition revenue for base funding estimates derived by the funding guidelines in 2003.

The following pages contain two tables (pages 4 and 5) and two graphics (pages 6 and 7) comparing Virginia's and JMU's positions on tuition and fees relative to national data from forty-six states. The two tables on pages 4 and 5 compare the rate of increase in undergraduate tuition and required fees, by state, for state colleges and universities for in-state (page 4) and out-of-state (page 5) students. Virginia's four-year rate of increase in 2004-05 was the 25<sup>th</sup> highest out of 46 states for in-state students and 33<sup>rd</sup> highest for out-of-state students. In 1990-00 Virginia's four-year ranking was 46<sup>th</sup> out of 46 for in-state students and 46<sup>th</sup> for out-of-state students. In other words, tuition and fee increases in Virginia moderated substantially between 1995-96 and 1999-00, but have increased since then. The graphic on page 6 compares in-state undergraduate tuition and required fees for selected states. Virginia ranked 12<sup>th</sup> highest among the fifty states and \$415 above the national average. In 1995-96 Virginia was ranked 2<sup>nd</sup>. However, it remains to be seen how JMU's rankings will change after the massive budget cuts and rapidly increasing tuition rates that have occurred recently.

The graphic on page 7 compares JMU's tuition and fees to those of our SCHEV peer group. JMU ranks 12<sup>th</sup> highest out of 25 peer institutions. JMU's 2005-06 tuition and required fees are \$5,886. This figure is below our peer group average of \$9,229. However, when JMU's figure is compared with the 19 other publicly funded peer institutions, it ranks 13<sup>th</sup> highest, a decline from 11<sup>th</sup> one year ago. The public average for 2005-06, including JMU, is \$5,442.

Virginia's one-year rate of change for in-state tuition and required fees for 2004-05 was 9.1 percent. This was 0.1 percent higher than the national average of 9.0 percent. For out-of-state students, Virginia's average increase was 6.6 percent -1.2 percent below the national average of 7.8 percent.

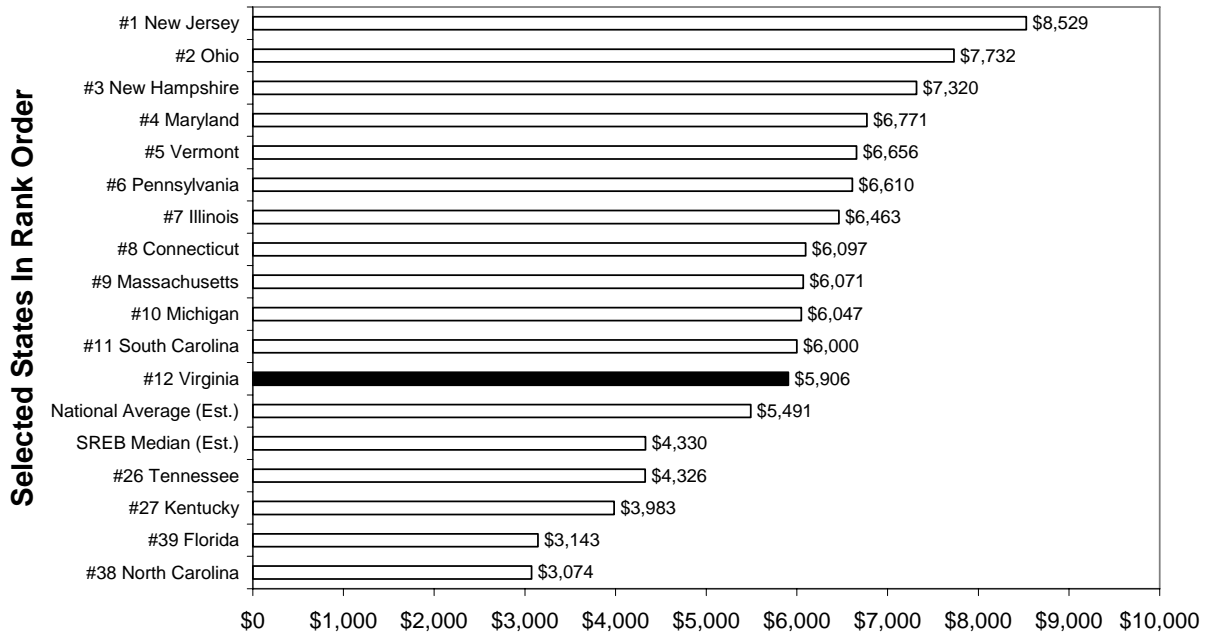
**RESIDENT UNDERGRADUATE TUITION AND REQUIRED FEES  
(STATE AVERAGES) COLLEGES AND STATE UNIVERSITIES**

State	2000-01	2001-02	2002-03	2003-04	2004-05	One Year	Four Year
Alabama	2,916	3,261	3,488	3,913	4,413	12.8%	51.3%
Arizona	2,344	2,486	2,583	3,593	4,067	13.2%	73.5%
Arkansas	2,974	3,477	3,725	4,130	4,575	10.8%	53.8%
California	1,859	1,897	2,072	2,649	2,993	13.0%	61.0%
Colorado	2,353	2,511	2,704	2,765	2,951	6.7%	25.4%
Connecticut	3,908	4,172	4,556	5,149	5,630	9.3%	44.1%
Florida	2,348	2,551	2,698	2,876	3,111	8.2%	32.5%
Georgia	2,361	2,480	2,605	2,848	3,019	6.0%	27.9%
Idaho	2,514	2,732	3,060	3,350	3,610	7.8%	43.6%
Illinois	4,001	4,215	4,606	5,238	5,968	13.9%	49.2%
Indiana	3,697	3,947	4,468	4,936	5,390	9.2%	45.8%
Iowa	3,130	3,440	4,118	4,916	5,387	9.6%	72.1%
Kansas	2,354	2,424	2,593	2,946	3,285	11.5%	39.5%
Kentucky	2,699	2,897	3,205	3,644	4,189	15.0%	55.2%
Louisiana	2,473	2,492	2,587	2,983	3,260	9.3%	31.8%
Maine	3,510	3,690	3,860	4,183	4,496	7.5%	28.1%
Maryland	4,650	4,759	5,225	5,747	6,252	8.8%	34.5%
Massachusetts	3,260	3,295	4,075	4,988	5,556	11.4%	70.4%
Michigan	4,027	4,501	4,943	5,423	5,584	3.0%	38.7%
Minnesota	3,238	3,561	3,970	4,517	5,098	12.9%	57.4%
Mississippi	2,789	3,207	3,531	3,531	3,801	7.6%	36.3%
Missouri	3,202	3,436	4,127	4,562	4,941	8.3%	54.3%
Montana	2,924	3,222	3,707	3,827	4,140	8.2%	41.6%
Nebraska	2,693	2,916	3,199	3,659	3,930	7.4%	45.9%
Nevada	2,220	2,295	2,370	2,550	2,850	11.8%	28.4%
New Hampshire	5,309	5,557	5,995	6,375	6,759	6.0%	27.3%
New Jersey	5,328	5,762	6,533	7,166	7,875	9.9%	47.8%
New Mexico	1,933	2,042	2,222	2,471	2,687	8.7%	39.0%
New York	4,006	4,068	4,153	5,129	5,180	1.0%	29.3%
North Carolina	2,025	2,255	2,677	2,812	3,129	11.3%	54.5%
North Dakota	2,790	2,909	3,191	3,594	4,138	15.1%	48.3%
Ohio	4,674	5,058	5,920	6,620	7,139	7.8%	52.7%
Oklahoma	1,996	2,171	2,377	2,762	3,027	9.6%	51.7%
Oregon	3,435	3,650	4,223	4,493	4,985	11.0%	45.1%
Pennsylvania	4,695	4,969	5,532	5,820	6,103	4.9%	30.0%
Rhode Island	3,371	3,521	3,761	3,995	4,340	8.6%	28.7%
South Carolina	3,350	3,790	4,340	5,082	5,540	9.0%	65.4%
South Dakota	3,485	3,702	3,987	4,322	4,566	5.6%	31.0%
Tennessee	2,852	3,246	3,491	3,958	4,200	6.1%	47.3%
Texas	2,651	2,724	3,259	3,763	4,201	11.6%	58.5%
Utah	2,106	2,252	2,426	2,632	2,876	9.3%	36.6%
Vermont	4,944	5,132	5,374	5,806	6,146	5.9%	24.3%
Virginia	3,730	3,841	4,417	5,023	5,479	9.1%	46.9%
Washington	2,890	3,071	3,471	3,700	3,947	6.7%	36.6%
West Virginia	2,494	2,593	2,870	3,162	3,545	12.1%	42.1%
Wisconsin	3,058	3,272	3,526	4,180	4,730	13.2%	54.7%
<b>National Average</b>	<b>3,164</b>	<b>3,379</b>	<b>3,735</b>	<b>4,169</b>	<b>4,545</b>	<b>9.0%</b>	<b>43.6%</b>
<b>Virginia Ranking</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>24</b>	<b>20</b>

**NONRESIDENT UNDERGRADUATE TUITION AND REQUIRED FEES  
(STATE AVERAGES) COLLEGES AND STATE UNIVERSITIES**

State	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage Increase	
						One Year	Four Year
Alabama	5,628	6,252	6,694	7,500	8,485	13.1%	50.8%
Arizona	9,288	10,352	11,103	12,113	12,755	5.3%	37.3%
Arkansas	6,026	7,019	7,535	8,176	8,986	9.9%	49.1%
California	9,241	9,279	10,532	11,109	13,151	18.4%	42.3%
Colorado	8,406	8,851	9,501	10,290	10,784	4.8%	28.3%
Connecticut	9,661	10,145	10,758	12,134	13,146	8.3%	36.1%
Florida	9,686	10,439	11,971	13,781	15,540	12.8%	60.4%
Georgia	7,989	8,501	8,860	9,781	10,298	5.3%	28.9%
Idaho	8,634	8,952	9,380	10,010	10,678	6.7%	23.7%
Illinois	8,580	8,425	9,158	10,159	11,239	10.6%	31.0%
Indiana	9,594	10,186	11,438	12,379	13,334	7.7%	39.0%
Iowa	8,094	8,762	10,426	11,874	12,705	7.0%	57.0%
Kansas	7,549	7,759	8,253	9,206	9,949	8.1%	31.8%
Kentucky	7,255	7,739	8,419	9,290	10,697	15.1%	47.4%
Louisiana	7,858	7,893	8,017	8,403	8,708	3.6%	10.8%
Maine	8,120	8,490	8,980	9,763	10,476	7.3%	29.0%
Maryland	10,175	10,567	11,511	12,701	13,877	9.3%	36.4%
Massachusetts	9,805	10,433	11,480	12,636	13,288	5.2%	35.5%
Michigan	9,149	10,243	11,164	12,205	12,617	3.4%	37.9%
Minnesota	6,574	7,180	6,781	7,939	8,498	7.0%	29.3%
Mississippi	6,510	7,487	8,152	8,152	8,718	6.9%	33.9%
Missouri	6,002	6,451	7,732	8,552	9,156	7.1%	52.5%
Montana	8,056	9,049	10,319	11,116	12,123	9.1%	50.5%
Nebraska	4,654	5,140	5,760	6,595	7,061	7.1%	51.7%
Nevada	9,200	9,510	10,155	11,037	11,524	4.4%	25.3%
New Hampshire	10,619	11,057	11,655	12,425	13,199	6.2%	24.3%
New Jersey	8,530	9,239	10,447	11,430	12,537	9.7%	47.0%
New Mexico	7,078	7,706	8,438	9,023	9,695	7.4%	37.0%
New York	8,906	8,968	9,115	11,079	11,440	3.3%	28.5%
North Carolina	9,244	10,121	11,534	12,112	12,504	3.2%	35.3%
North Dakota	6,167	6,435	6,944	7,983	9,292	16.4%	50.7%
Ohio	10,471	11,161	12,685	13,759	14,731	7.1%	40.7%
Oklahoma	4,651	5,064	5,530	6,662	7,386	10.9%	58.8%
Oregon	9,567	10,020	10,843	11,304	13,149	16.3%	37.4%
Pennsylvania	9,698	10,305	11,356	12,058	12,196	1.1%	25.8%
Rhode Island	8,471	8,911	9,525	10,195	11,110	9.0%	31.2%
South Carolina	6,610	7,410	8,530	10,029	10,935	9.0%	65.4%
South Dakota	7,438	7,785	8,236	9,033	9,410	4.2%	26.5%
Tennessee	8,524	9,768	10,502	11,834	12,650	6.9%	48.4%
Texas	8,835	8,980	9,734	10,799	12,222	13.2%	38.3%
Utah	6,283	6,718	7,292	7,958	8,736	9.8%	39.0%
Vermont	10,632	11,048	11,586	12,360	13,086	5.9%	23.1%
Virginia	10,572	10,970	11,995	13,068	13,927	6.6%	31.7%
West Virginia	5,993	6,338	7,016	7,767	8,544	10.0%	42.6%
Wisconsin	10,586	12,040	13,572	14,226	14,776	3.9%	39.6%
Washington	9,989	10,651	11,626	12,168	12,751	4.8%	27.7%
<b>National Average</b>		<b>6.7%</b>	<b>9.0%</b>	<b>9.5%</b>	<b>7.8%</b>	<b>7.8%</b>	<b>32.7%</b>
<b>Virginia Ranking</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>31</b>	<b>31</b>

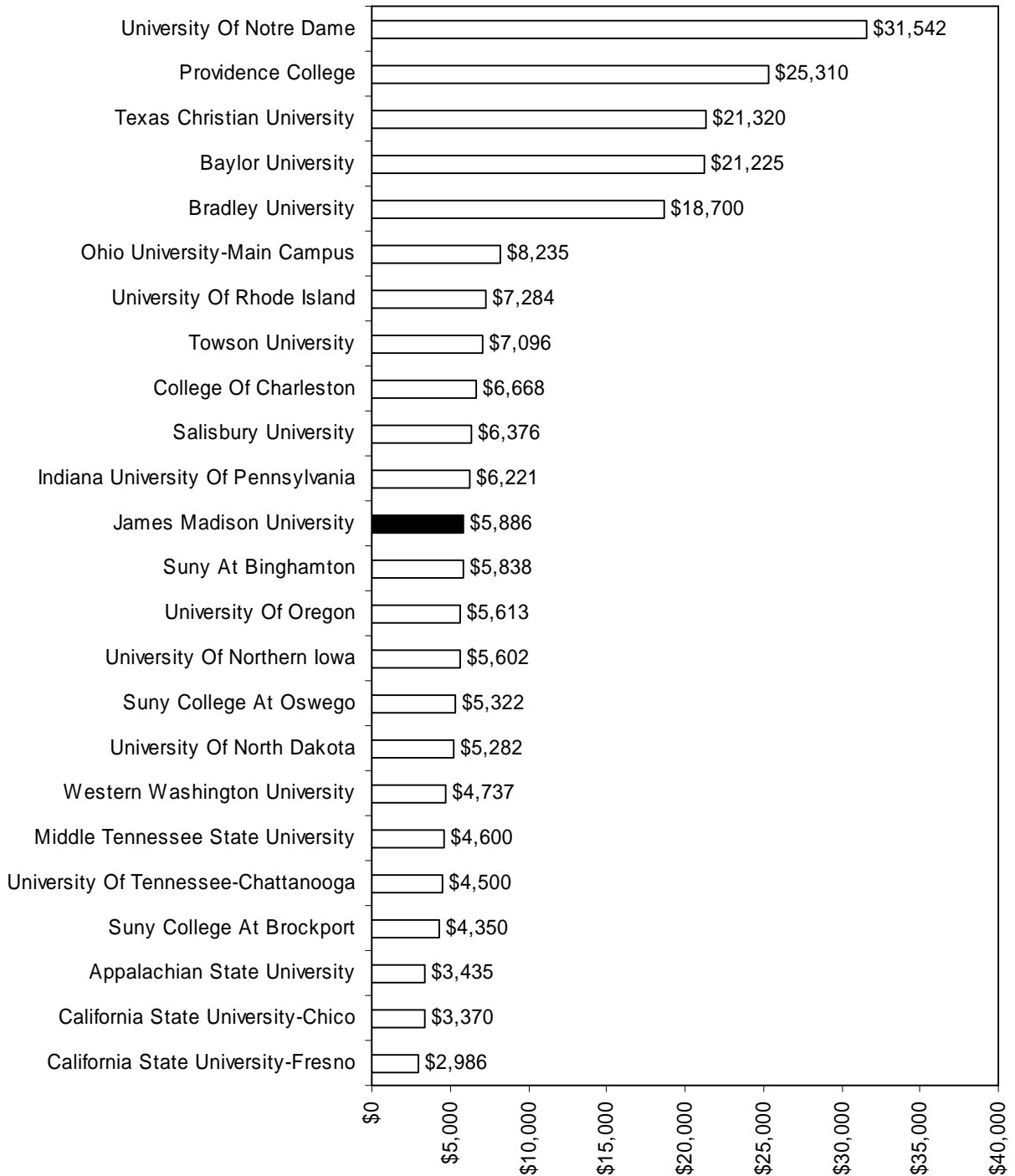
## 2005-06 Estimated In-State Tuition & Fees Public Comprehensives



Source: SCHEV

Note: SREB and National tuition and fees were estimated to increase by 7.1 percent during 2005-06.

## 2005-06 SCHEV Peer Group: In-State Tuition and Required Fees



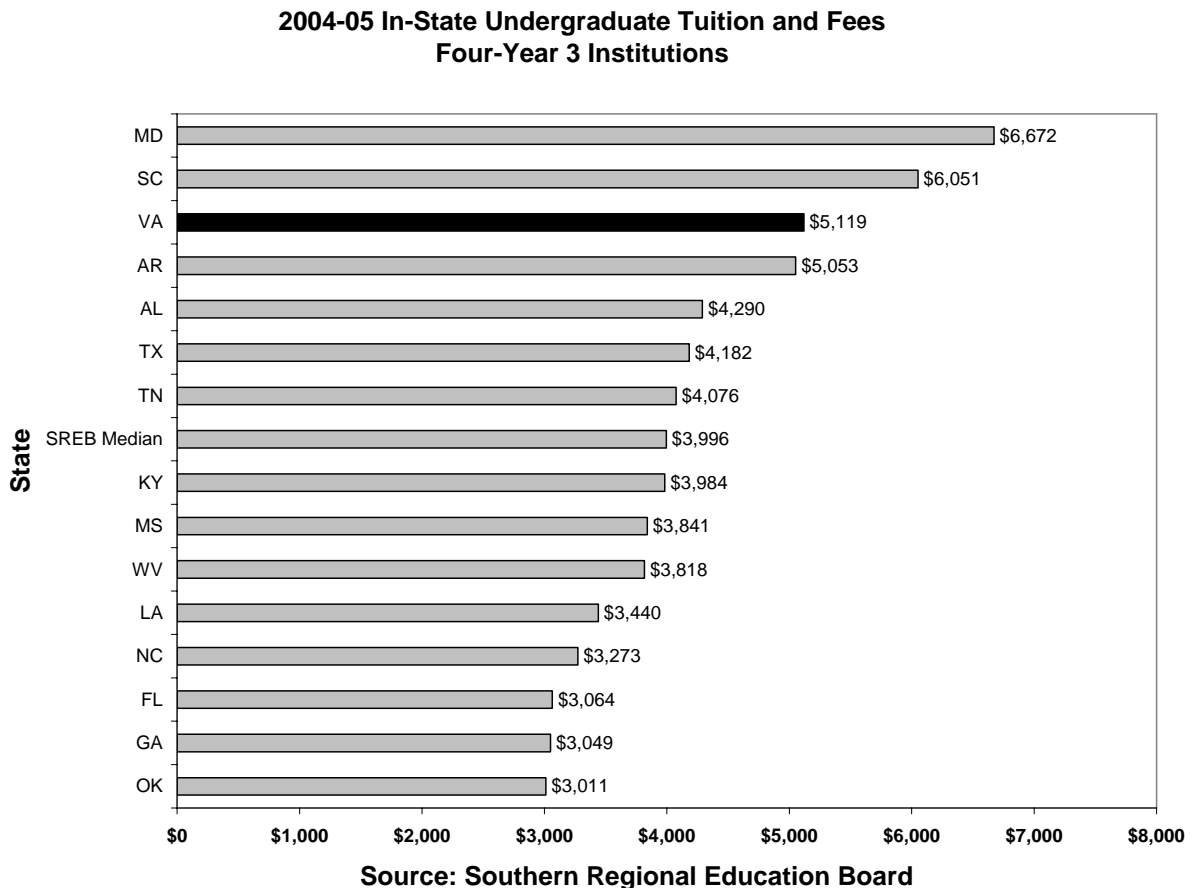
**Average = \$9,229; Public Average = \$5,442**

## 2.2 Regional Trends

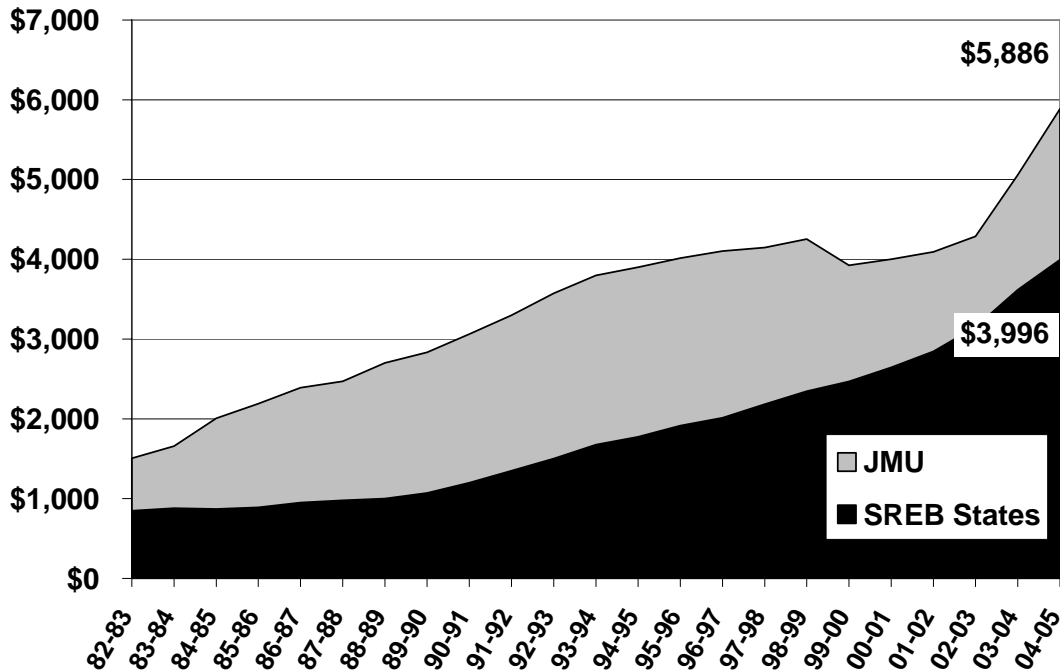
Virginia is part of the Southern Regional Education Board (SREB) – the nation's first interstate compact for education. SREB was created in 1948 at the request of southern governors and acts as a clearinghouse for information on trends and issues that affect education in the south.

Colleges and universities are classified according to SREB definitions based on institutional size and degree programs. Undergraduate tuition and fees charged students in each state's universities and colleges are compared with specific groups based on SREB definitions. For example, James Madison University is considered to be a Four-Year 3 institution. A Four-Year 3 institution awards at least 100 doctoral, masters, education specialist, or post-master's certificates and degrees distributed among at least 10 broad program areas. JMU and Radford are the Four-Year 3 institutions in the Virginia system of higher education. Data for 2005-06 will be available in December 2006 and will appear in next year's report.

As the graphic below demonstrates, Virginia has the third highest tuition and fees for in-state undergraduates at regional Four-Year 3 institutions. This is the same position as in 2003-04. Virginia's increase (11 percent) was slightly above the median (10 percent) for all the states.



**In-State Tuition and Fees  
JMU & SREB States, 1982-83 to 2004-05**



Source: SREB

"Tuition and fees" refers to the annual tuition and mandatory fees charged all full-time undergraduate students. Mandatory fees do not include special fees assessed in particular programs; for example music, science laboratories, or nursing. Nor are other fees unique to given situations included; for example late registration fees or automobile registration fees. Mandatory fees do include health service fees, building use fees, student activity fees, and athletic fees where the fee is not optional for full-time students.

Tuition and fees for in-state undergraduate students at JMU increased less than the SREB median for Four-Year 3 institutions over the past ten years. Since 1982-83, in-state undergraduate student charges at JMU rose 291 percent while median charges in the region went up 370 percent. JMU's tuition and fees are now 147 percent (less than the 151 percent in 2000-01, but down from 255 percent in 1990-91) of the SREB regional median for Four-Year 3 institutions. In 2004-05, JMU's in-state tuition and required fees were \$1,890 above the regional median for comparable institutions. The chart above shows how JMU's changes in tuition and fees have been far more erratic than the SREB region institutions as a whole.

The tuition and fee data for 2003-05 reversed the pattern of the previous ten years as the Virginia institutions were allowed to raise tuition and fees for 2003-04 and 2004-05 to recover some of the revenues lost from the Commonwealth.

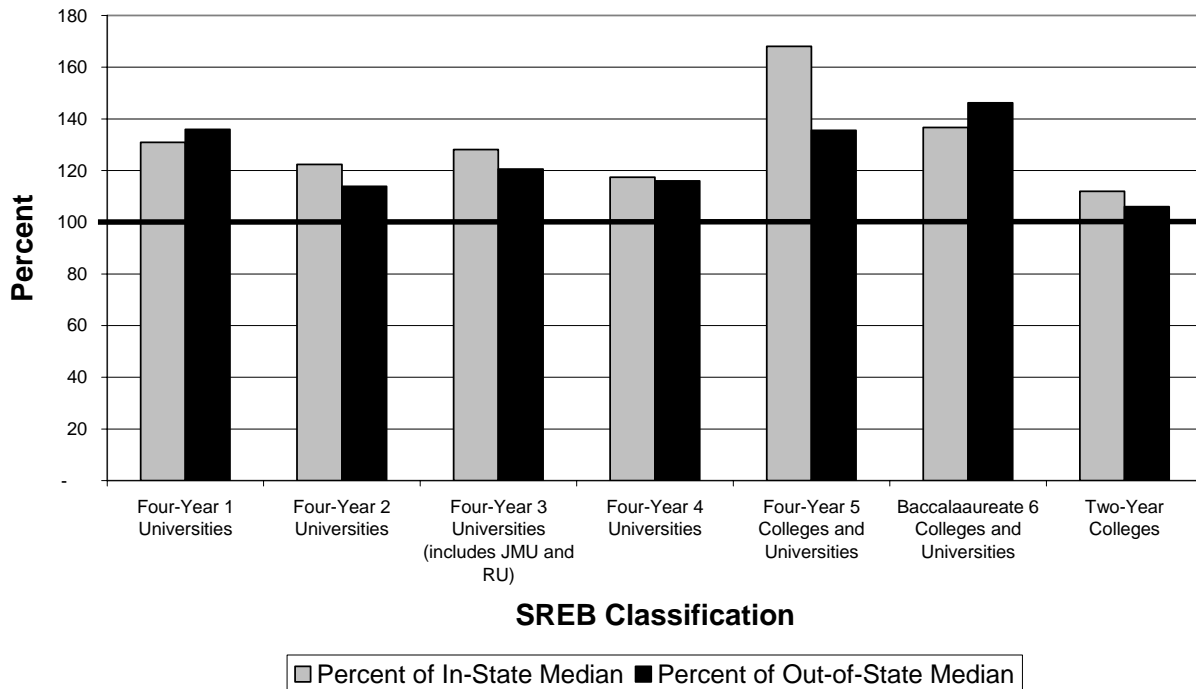
The following two charts illustrate Virginia's percentage ranking for in-state and out-of-state tuition and fees as compared to the Southern Regional Education Board (SREB) institutional median.

**Virginia Highlights**  
**Percent of SREB Median Tuition and Fees by Residence**  
**2004-05**

SREB Classification	Percent of In-State Median	Percent of Out-of-State Median
Four-Year 1 Universities	131	136
Four-Year 2 Universities	122	114
<b>Four-Year 3 Universities (includes JMU and RU)</b>	128	121
Four-Year 4 Universities	117	116
Four-Year 5 Colleges and Universities	168	136
Baccalaureate 6 Colleges and Universities	137	146
Two-Year Colleges	112	106

Source: SREB Data Exchange

**Percent Of SREB Median Tuition And Fees By Residence, 2004-05**



## 2.3 State Trends

Among the state's fifteen four-year colleges and universities, JMU's in-state tuition ranks 13<sup>th</sup> highest, required fees ranks 4<sup>th</sup>, and room and board ranks 5<sup>th</sup>. Total in-state tuition, required fees, and room and board ranks 8<sup>th</sup> and JMU's out-of-state total cost ranks 7<sup>th</sup>.

### In-State and Out-of-State Undergraduate Tuition, Required Fees And Room and Board for Virginia's State-Supported Institutions Of Higher Education, 2005-06

Rank	In-State Tuition		Out-of-State Tuition		Required Fees		Room and Board		Total In-State		Total Out-of-State	
1	UVA	\$5,714	UVA	\$22,634	VMI	\$4,284	CNU	\$7,500	VMI	\$14,332	UVA	\$30,489
2	VPI	\$5,297	VMI	\$18,582	LU	\$3,354	VCU	\$7,042	CWM	\$14,195	CWM	\$29,603
3	CWM	\$4,815	VPI	\$16,756	CWM	\$2,963	VSU	\$6,484	UVA	\$13,569	VMI	\$28,532
4	VMI	\$4,382	VCU	\$16,067	<b>JMU</b>	<b>\$2,888</b>	NSU	\$6,674	CNU	\$13,326	VCU	\$24,482
5	GMU	\$4,356	GMU	\$15,636	VSU	\$2,517	<b>JMU</b>	<b>\$6,372</b>	LU	\$12,627	GMU	\$23,640
6	VCU	\$4,012	ODU	\$13,322	CNU	\$2,350	CWM	\$6,417	VCU	\$12,427	VPI	\$22,359
7	UMW	\$3,960	UVAW	\$13,169	NSU	\$2,300	GMU	\$6,480	GMU	\$12,360	<b>JMU</b>	<b>\$21,694</b>
8	LU	\$3,666	UMW	\$13,102	ODU	\$2,072	UVA	\$6,389	<b>JMU</b>	<b>\$12,258</b>	ODU	\$21,271
9	ODU	\$3,542	NSU	\$12,441	UVAW	\$2,040	RU	\$6,120	UMW	\$11,636	NSU	\$21,215
10	CNU	\$3,476	<b>JMU</b>	<b>\$12,434</b>	RU	\$1,895	UMW	\$6,002	UVAW	\$11,636	UVAW	\$21,174
11	RU	\$3,235	CNU	\$10,548	UMW	\$1,674	ODU	\$5,877	NSU	\$11,354	UMW	\$20,778
12	UVAW	\$3,041	RU	\$10,473	GMU	\$1,524	UVAW	\$5,965	VSU	\$11,318	CNU	\$20,398
13	<b>JMU</b>	<b>\$2,998</b>	LU	\$10,400	UVA	\$1,466	VMI	\$5,666	RU	\$11,250	LU	\$19,361
14	NSU	\$2,580	VSU	\$9,529	VCU	\$1,373	LU	\$5,607	VPI	\$10,900	RU	\$18,488
15	VSU	\$2,317	CWM	\$20,223	VPI	\$1,081	VPI	\$4,522	ODU	\$11,491	VSU	\$18,530

Source: SCHEV Report on 2005-06 Tuition and Fees, Appendices D-1 and D-2, July 2005.

#### NOTES:

- All required fees listed are for general undergraduate students, living both on- and off-campus and, therefore, exclude any special fees for specific curriculums or special charges associated with dormitory living, such as room and board.
- Room and board charges are weighted averages for double occupancy rooms.
- Old Dominion University charges a per credit hour rate to all undergraduate and graduate students. The full-time charges for undergraduate tuition and required fees are based on 30 regular session credit hours, 15 hours per semester.
- At Virginia Military Institute, all students are required to live on post; therefore, room, board and laundry fees are also required fees.

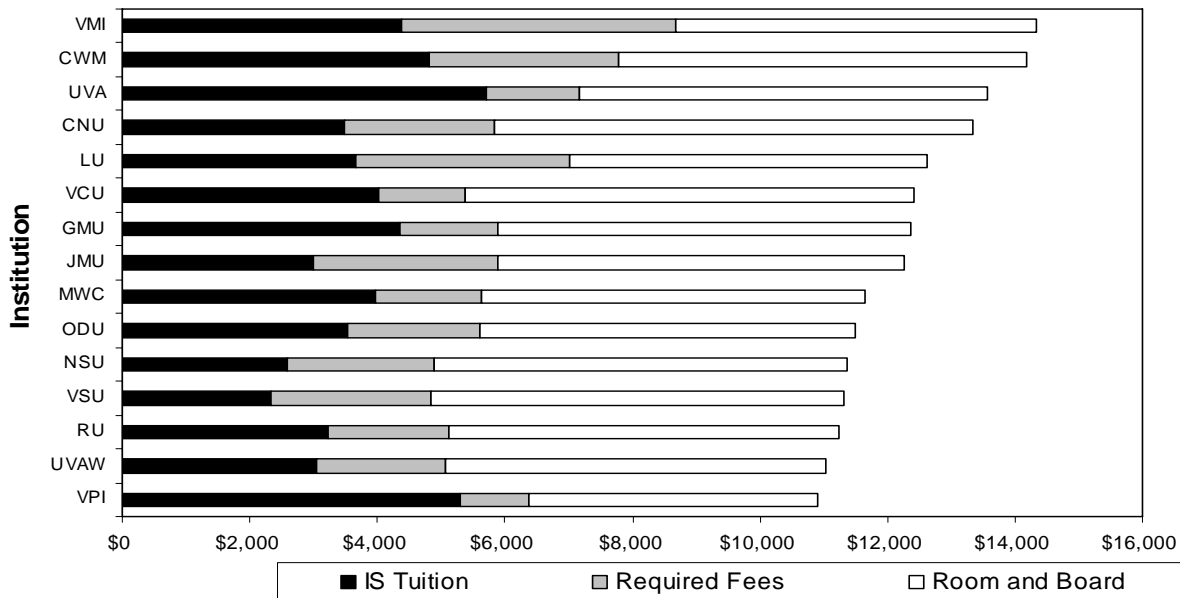
### 2005-06 Full-Time In-State Undergraduate Student Charges

Institution	Tuition and Mandatory Fees	Percent Change From 04-05	Room and Board	Percent Change From 03-04	Total	Percent Change From 03-04
GMU	\$5,880	7.9%	\$6,480	7.3%	\$12,360	7.6%
ODU	\$5,614	6.6%	\$5,877	3.0%	\$11,491	4.7%
UVA	\$7,180	8.8%	\$6,389	7.2%	\$13,569	8.0%
VCU	\$5,385	4.8%	\$7,042	1.8%	\$12,427	3.1%
VPI	\$6,378	9.2%	\$4,522	5.5%	\$10,900	7.6%
CWM	\$7,778	9.6%	\$6,417	5.8%	\$14,195	7.8%
CNU	\$5,826	9.6%	\$7,500	4.2%	\$13,326	6.5%
UVA-Wise	\$5,081	6.3%	\$5,965	6.4%	\$11,046	6.3%
JMU	\$5,886	7.5%	\$6,372	4.2%	\$12,258	5.7%
LU	\$7,020	9.0%	\$5,607	3.9%	\$12,627	6.7%
UMW	\$5,634	9.9%	\$6,002	4.5%	\$11,636	7.0%
NSU	\$4,888	13.6%	\$6,474	3.8%	\$11,354	7.8%
RU	\$5,130	7.7%	\$6,120	4.0%	\$11,250	5.6%
VMI	\$8,666	7.6%	\$5,666	3.5%	\$14,332	5.9%
VSU	\$4,834	6.4%	\$6,484	3.6%	\$11,318	4.8%
RBC	\$2,350	6.8%	N/A	N/A	\$2,350	6.8%
VCCS	\$2,135	6.4%	N/A	N/A	\$2,135	6.4%
4-Year Avg.	\$6,078	8.3%	\$6,194	4.5%	\$12,273	6.4%
2-Year Avg.	\$2,242	6.6%	N/A	N/A	\$2,242	6.6%
Avg.-All	\$5,672	8.2%	\$6,194	4.5%	\$11,093	6.4%

Source: SCHEV Report on 2005-06 Tuition and Fees, June 30, 2005.

Annual increases in Virginia for the senior institutions for in-state tuition, required fees, and room and board ranged from 3.1 percent at Virginia Commonwealth University to 8.0 percent at the University of Virginia.

### VA Public In-State Charges, 2005-06 Combined Tuition/Fees, Room/Board



## 2005-06 Full-Time Out-of-State Undergraduate Student Charges

Institutions	Tuition & Mandatory Fees	Percent Change	Mandatory Non-E&G Fees	Percent Change	Room & Board	Percent Change	Total Out-of-State	Percent Change
GMU	15,636	8.9%	1,524	4.1%	6,480	7.3%	23,640	8.2%
ODU	13,322	5.0%	2,072	3.8%	5,877	3.0%	21,271	4.3%
UVA	22,634	6.0%	1,466	8.0%	6,389	7.2%	30,489	6.4%
VCU	16,067	0.5%	1,373	4.3%	7,042	1.8%	24,482	1.1%
VT	16,756	7.6%	1,081	6.8%	4,522	5.5%	22,359	7.1%
W&M	20,223	5.4%	2,963	9.3%	6,417	5.8%	29,603	5.8%
CNU	10,548	0.0%	2,350	10.4%	7,500	4.2%	20,398	2.6%
UVA-Wise	13,169	7.4%	2,040	5.0%	5,965	6.4%	21,174	6.9%
JMU	12,434	6.3%	2,888	6.0%	6,372	4.2%	21,694	5.6%
LU	10,420	4.9%	3,354	10.3%	5,607	3.9%	19,361	5.5%
UMW	13,102	8.5%	1,674	15.0%	6,002	4.5%	20,778	7.8%
NSU	12,441	2.1%	2,300	10.8%	6,474	3.8%	21,215	3.5%
RU	10,473	5.0%	1,895	6.0%	6,120	4.0%	18,488	4.8%
VMI	18,582	5.9%	4,284	8.0%	5,666	3.5%	28,532	5.7%
VSU	9,529	5.1%	2,517	5.1%	6,484	3.6%	18,530	4.6%
VCCS	6,566	2.4%	14	6.0%	0	0.0%	6,581	2.4%
Avg. Senior Institutions	14,354	5.3%	2,252	7.7%	6,194	4.5%	22,801	5.3%
Avg. All*	13,611	5.3%	1,994	7.7%	6,194	4.5%	21,071	5.3%

**Source: SCHEV Report on 2005-06 Tuition and Fees, Appendix D-2, June 30, 2005.**

Annual percent changes in Virginia for out-of-state tuition and required fees from 2003-04 to 2004-05 for the senior institutions ranged from 0.5 percent at Virginia Commonwealth University to 10.3 percent at Virginia Tech. Annual increases in Virginia for out-of-state tuition, required fees, and room and board for the senior institutions ranged from 1.2 percent for Old Dominion University to 8.8 percent at Virginia Commonwealth University.

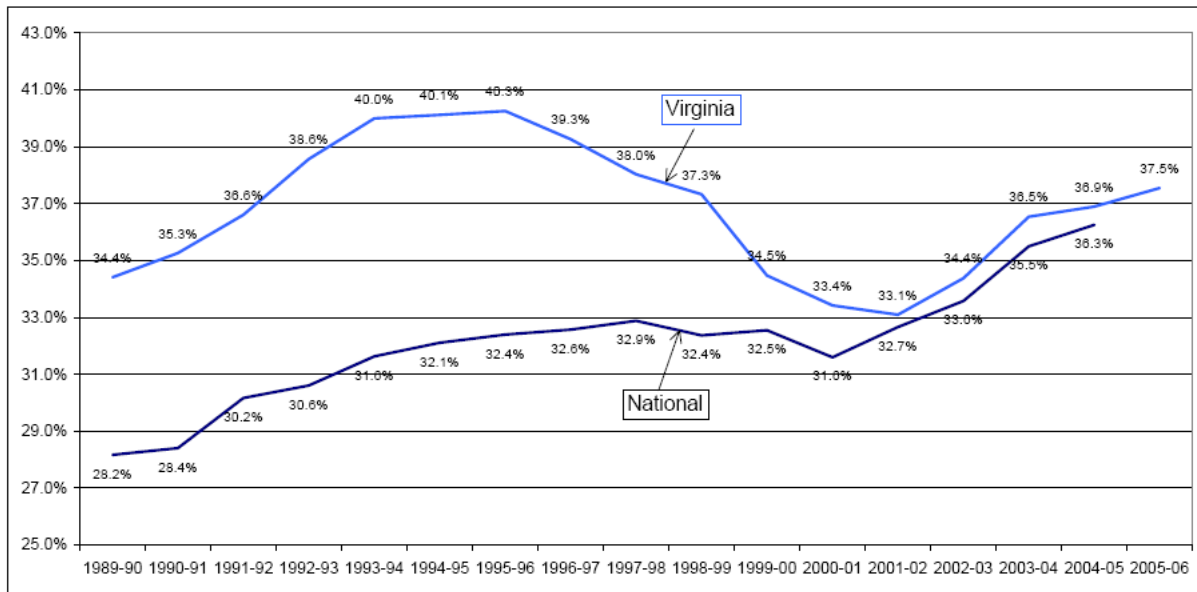
The following contains analyses from SCHEV illustrates the ability of the average Virginian to afford higher education at one of the Commonwealth's public colleges or universities.

According to SCHEV's annual tuition and fee report,

“Compared to other states, Virginia’s median in-state undergraduate charges as a percentage of per capita disposable income have exceeded the national average over the last decade. In 1990, Virginia’s per capita disposable income was about 6 percent higher than the national average. In contrast, the median total undergraduate charge (including room and board) for in-state undergraduate students was nearly 30 percent higher than the national norm. Nationally, total charges represented 28.2 percent of per capita disposable income, while the rate was 34.4 percent in Virginia. However, the Commonwealth’s policy to restrain and reduce in-state undergraduate tuition between 1994 and 2002 has reduced the gap between the state and national averages. By 2001-02, the relationship between student charges and income had changed substantially in Virginia. The median charges for in-state undergraduates represented about the same percentage of income in Virginia (33.1 percent)

as they did nationally (32.7 percent). Since that time, the relationship between median total charges and per capita disposable income in the Commonwealth has mirrored national trends, with Virginia remaining within 1 percentage point higher than the national average as shown in Chart 7A. It should be noted that the 37.5 percent cost share to a Virginia family in 2005-06 is still less than the 40 percent share paid ten years ago. National data for 2005-06 will not be available until late 2005, so the impact of the recent tuition and fee increases in Virginia relative to the nation is yet to be evaluated.”

**Chart 7A**  
**Average Public 4-Year Total Undergraduate Charges**  
**As a Percent of Per Capita Disposable Income**



Note: Cost includes tuition and mandatory fees, and room and board.

Source: College Board, US Bureau of Economic Analysis, and SCHEV.

The graphic above from SCHEV demonstrates that a higher education at a Virginia public institution became considerably more affordable between the mid 1990s and 2002-03. The upward trend in the last four years is – however – disturbing and very similar to when the state was coming out of the recession of the early 1990s. Actions taken by the General Assembly to give boards of visitors more discretion in setting tuition and fee rates and increased General Fund support resulted in lower tuition and fee increases in 2005-06.

## 2.4 JMU Tuition and Fee History

### JMU Tuition, Fee, and Room and Board Charges 1996-97 to 2005-06

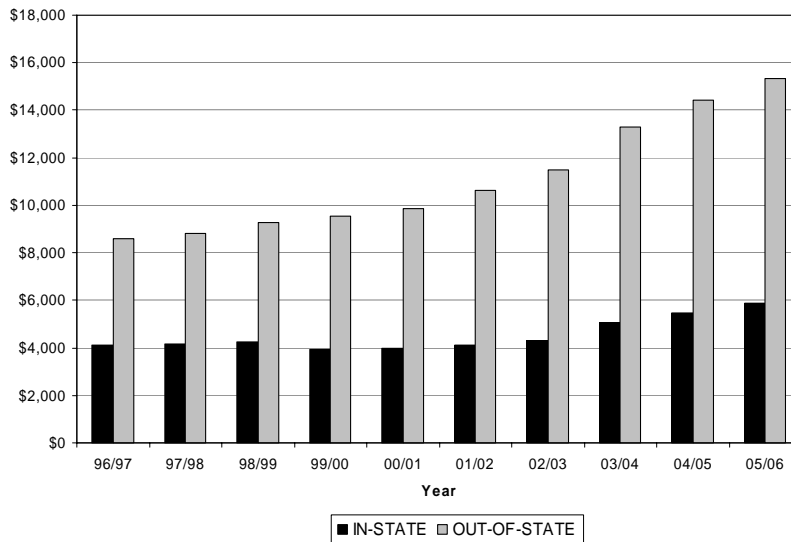
	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06
<b>IN-STATE</b>										
Tuition & Fees	\$1,940	\$1,940	\$1,982	\$1,586	\$1,586	\$1,586	\$1,728	\$2,420	\$2,752	\$2,998
Comp. Fee	\$2,164	\$2,208	\$2,274	\$2,340	\$2,414	\$2,508	\$2,560	\$2,638	\$2,724	\$2,888
Total Commuter	\$4,104	\$4,148	\$4,256	\$3,926	\$4,000	\$4,094	\$4,288	\$5,058	\$5,476	\$5,886
Room & Board <sup>2</sup>	\$4,884	\$4,994	\$5,264	\$5,392	\$5,504	\$5,678	\$5,794	\$5,966	\$6,116	\$6,372
Total On-Campus	\$8,988	\$9,142	\$9,520	\$9,318	\$9,504	\$9,772	\$10,082	\$11,024	\$11,592	\$12,258
<b>OUT-OF-STATE</b>										
Tuition & Fees	\$6,416	\$6,608	\$6,982	\$7,192	\$7,436	\$8,098	\$8,912	\$10,642	\$11,696	\$12,434
Comp. Fee	\$2,164	\$2,208	\$2,274	\$2,340	\$2,414	\$2,508	\$2,560	\$2,638	\$2,724	\$2,888
Total Commuter	\$8,580	\$8,816	\$9,256	\$9,532	\$9,850	\$10,606	\$11,472	\$13,280	\$14,420	\$15,322
Room & Board*	\$4,884	\$4,994	\$5,264	\$5,392	\$5,504	\$5,678	\$5,794	\$5,966	\$6,116	\$6,372
Total On-Campus	\$13,464	\$13,810	\$14,520	\$14,924	\$15,354	\$16,284	\$17,266	\$19,246	\$20,536	\$21,694

Source: JMU Budget Office

<sup>1</sup> Before mid-year tuition increases

<sup>2</sup> Based on 19-meal plan

### JMU Tuition and Fee History 1996-97 to 2005-06

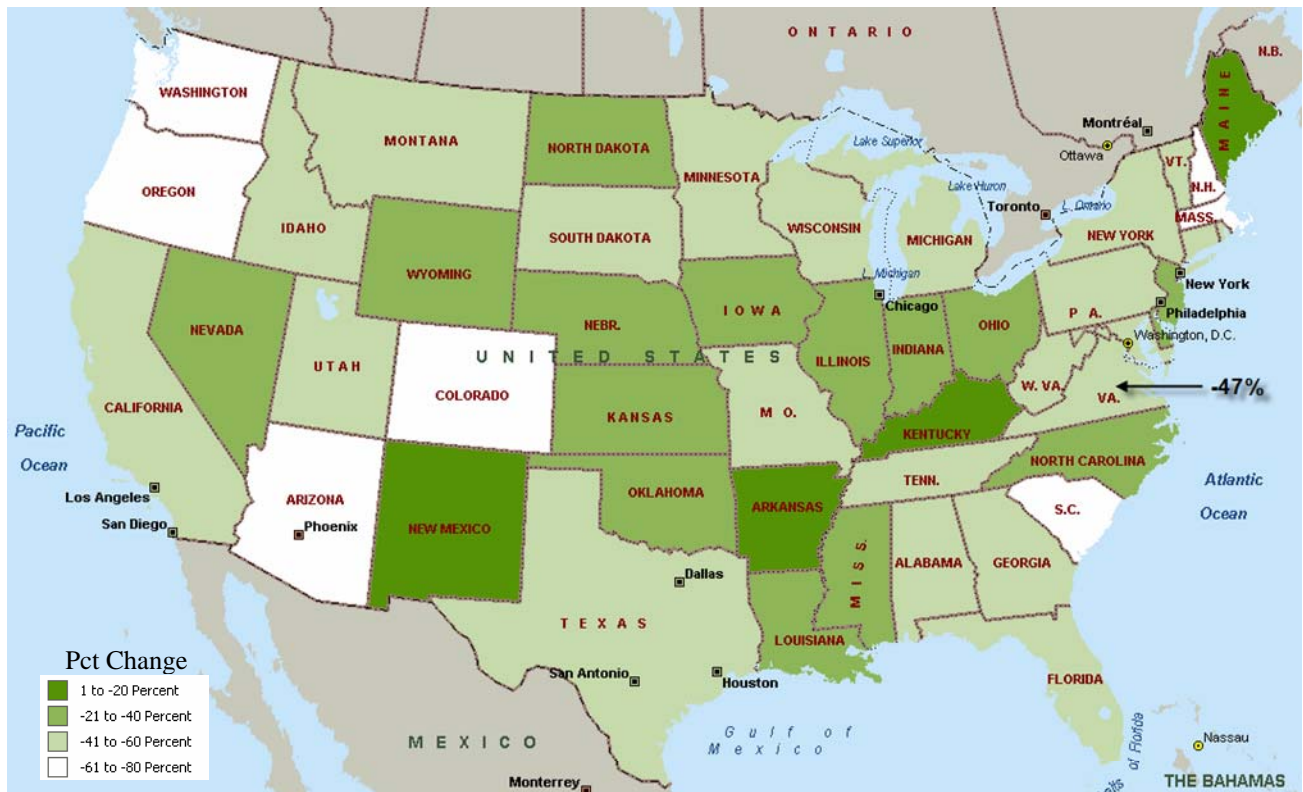


### 3.0 STATE APPROPRIATIONS

#### 3.1 National Trends

Nationally, the majority of states have experienced dramatically decreased revenues – combined with significant pressures to fund a variety of critical initiatives. One result of this difficult combination of factors has been a decline in the state appropriations going to higher education. The FY 2006 appropriations were 16 percent below FY 2001, 14 percent below FY 1996, and 37 percent below FY 1977. Only one state (Nevada) showed an increase (+1%). The states with the greatest declines were Colorado (-73%), Arizona (-62%), South Carolina (-58%), and Oregon (-57%). Since 1976 Virginia’s decline (-47%) is 10% higher than the national average. In FY 2006 Virginia ranked 38<sup>th</sup> in appropriations per \$1,000 at \$5.55, \$1.01 below the national average of \$6.56. In 1981 Virginia ranked 27<sup>th</sup> at \$10.74, \$0.49 above the national average of \$10.25.

#### Changes in Appropriations of State Tax Funds for Operating Expenses of Higher Education per \$1,000 of Personal Income FY 1977 to FY 2006



Source: Postsecondary Education OPPORTUNITY, February 2006

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 2003-04 – the most recent year for which the data are available. JMU is 17<sup>th</sup> out of the 19 public universities, up from 18<sup>th</sup> in 2002-03. At \$8,312 (up from \$8,078 in 2002-03) per FTES, JMU was \$1,531 below the median and \$2,053 below the 60<sup>th</sup> percentile. For 2003-04, JMU would have required an additional \$24.2 million in E&G operating funds to reach the median of its national peer group or \$32.5 million to reach the 60<sup>th</sup> percentile.

**TOTAL FUNDING PER FTE STUDENT**  
**JMU National Peer Group (Public Institutions Only)**  
**2003-04 Data**

Institution Name	Fall 2003 FTE Students	Tuition & Fees	State Appropriations	Total Tuition & Fees Plus State Appropriations	Total Revenue Per FTES
University Of Rhode Island	12,788	98,772,533	83,073,837	181,846,370	14,220
Ohio University-Main Campus	21,839	153,797,947	119,933,911	273,731,858	12,534
SUNY At Binghamton	13,108	52,033,714	100,140,028	152,173,742	11,609
University Of Oregon	19,871	152,015,018	62,265,101	214,280,119	10,784
University Of North Dakota-Main Campus	12,261	72,966,544	59,197,215	132,163,759	10,779
California State University-Chico	14,134	37,820,831	113,356,432	151,177,263	10,696
California State University-Fresno	17,443	49,900,165	133,986,246	183,886,411	10,542
University Of Northern Iowa	12,263	49,078,469	79,256,054	128,334,523	10,465
Appalachian State University	13,839	51,445,373	87,105,718	138,551,091	10,012
University Of Tennessee-Chattanooga	7,700	36,246,035	39,544,157	75,790,192	9,843
Indiana University Of Pennsylvania-Main Campus	12,895	67,319,615	55,877,398	123,197,013	9,554
Towson University	14,810	82,795,531	57,824,042	140,619,573	9,495
SUNY College At Brockport	7,506	27,294,083	43,579,848	70,873,931	9,442
Salisbury University	6,230	31,271,679	25,442,364	56,714,043	9,103
Western Washington University	13,252	62,981,796	56,272,803	119,254,599	8,999
College Of Charleston	10,304	64,584,629	27,353,840	91,938,469	8,923
<b>James Madison University</b>	<b>15,814</b>	<b>73,842,646</b>	<b>57,597,656</b>	<b>131,440,302</b>	<b>8,312</b>
SUNY College At Oswego	7,538	26,998,623	35,323,324	62,321,947	8,268
Middle Tennessee State University	19,933	76,219,797	82,359,300	158,579,097	7,956
				Median	\$9,843
				60th Percentile	\$10,374

Notes

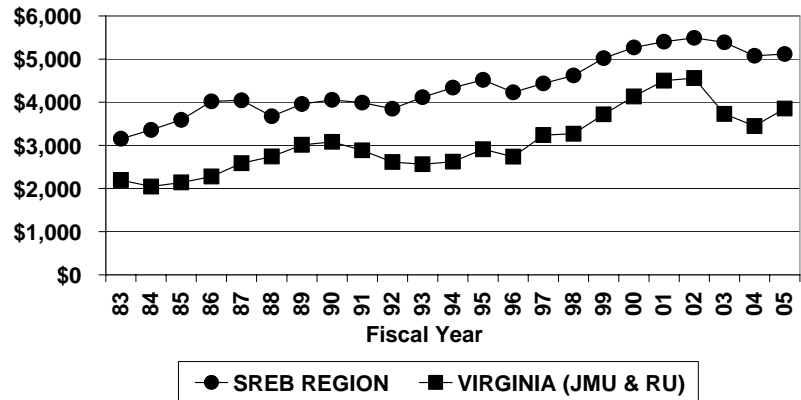
1. All data are taken from the 2003-04 IPEDS Finance (F1) and EF forms.
2. FTE students were calculated from Fall 2003 headcount data using the standard federal methodology.

### 3.2 Regional Trends

During the period of 1982-83 through 2004-05, 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. In 2004-05 Virginia ranked 12<sup>th</sup> out of 15 states.

GF Appropriations Per Student Comparisons  
Four-Year 3 Institutions

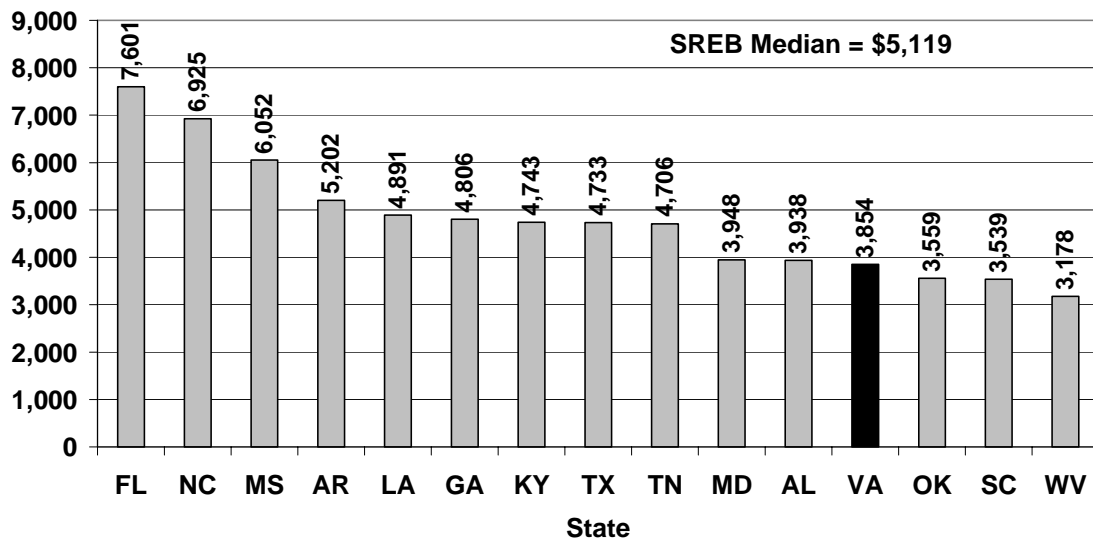


Source: SREB Data Exchange

Per-student funding for Virginia's Four-Year 3 institutions gained ground on the SREB regional average between 1990-91 and 2001-02, but lost significant ground between 2002-03 and 2004-05. Since 1992-93, the funding per full-time equivalent (FTE) student at the Virginia Four-Year 3 institutions rose 50.4 percent while the SREB regional average increased 24.4 percent.

As shown below, per FTE student funding in Virginia was \$1,265 below the regional median of \$5,119 for comparable institutions in 2004-05.

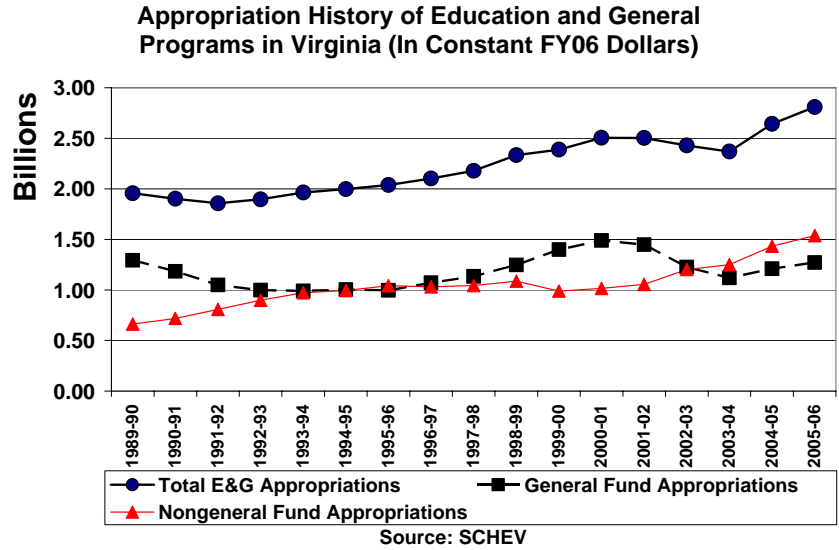
2004-05 General Fund Appropriation  
Per FTES, Four-Year 3 Institutions



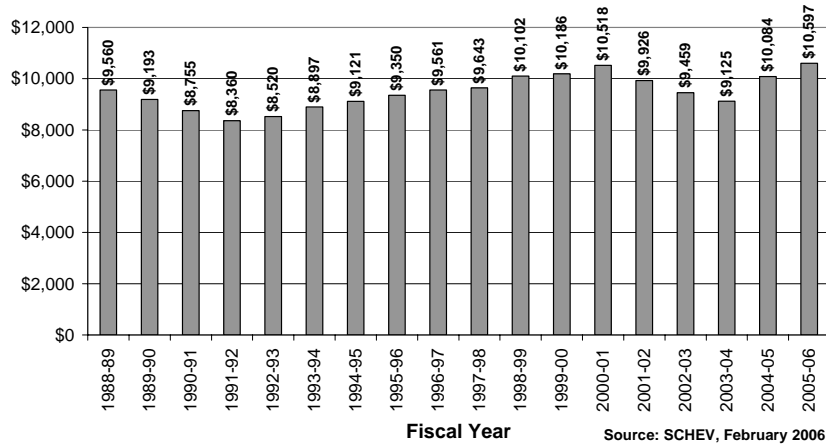
Source: SREB Data Exchange, January 2006

### 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 1988-89 non-general funds per student were about 50 percent of general funds. By 1995-96 non-general funds per student were about equal to general funds, indicating that students bore a significantly higher proportion of their total educational costs. The situation improved markedly between 1996-97 and 2001-02, but the budget problems resulted in the non-general funding distribution exceeding the values that existed in the mid-1990s.



**History of Inflation Adjusted Total E&G Appropriations Per Total FTE Student Adjusted to FY06 Dollars**

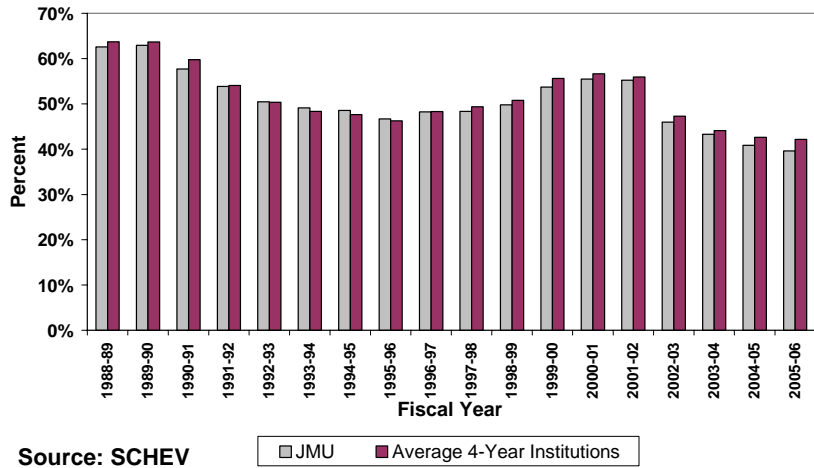


According to the data provided by SCHEV, in constant FY 06 dollars, general fund appropriations decreased by less than one percent, non-general fund appropriations increased by 58 percent and total E&G appropriations increased by 31 percent from FY89 to FY06. This means that the Virginia public institutions have more resources for operations now than they had 15 years ago, but this increase was generated from tuition revenue, not from state support.

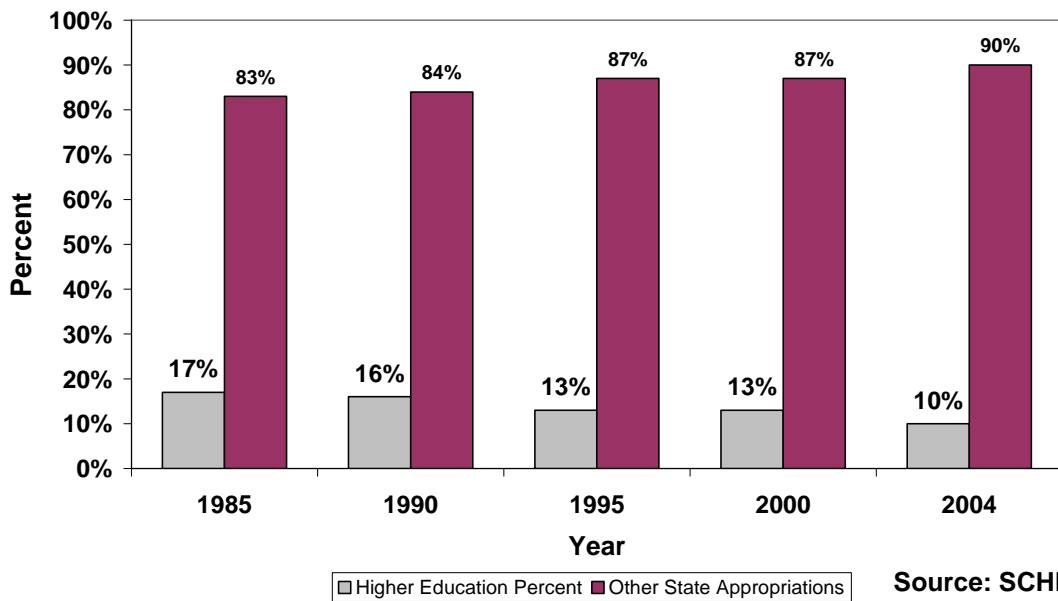
As demonstrated in the chart above, total E&G funding in 2003-04 was less than 1988-89 funding. By 2005-06, total funding is approximately 10 percent higher than in 1988-89. However, as shown above, this increase in funding is primarily borne by students and their parents.

State general fund support to JMU dropped from 64 percent of the total educational and general (E&G) appropriation in 1988-89 to 46 percent in 1995-96. The percentage increased to 56 in 2001-02, but dropped to 42 percent in 2005-06. JMU's percentage mirrored that of the other four-year Virginia institutions. While improvement occurred between 1995-96 and 2001-02, the percentage is now the lowest since 1988-89. Virginia's budget shortfall resulted in this percentage declining to percentages below those of the difficult budget years of the mid-1990s.

**General Fund As A Percent Of Total E&G  
JMU And All 4-Year Institutions  
1988-89 To 2005-06**

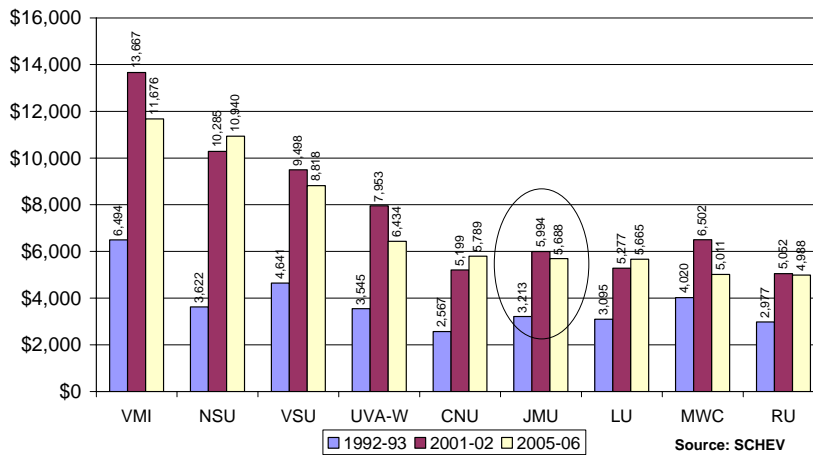


**Virginia Higher Education Appropriation  
Percent of Total General Fund Appropriations**



Higher education's share of Virginia's total general fund appropriation decreased from 17 percent in the 1985 to 10 percent in 2004. Given the demands on the Commonwealth's budget by medical costs, other mandates and the uncertain revenue stream, it is unlikely that higher education's proportion of the State's budget will improve in the foreseeable future.

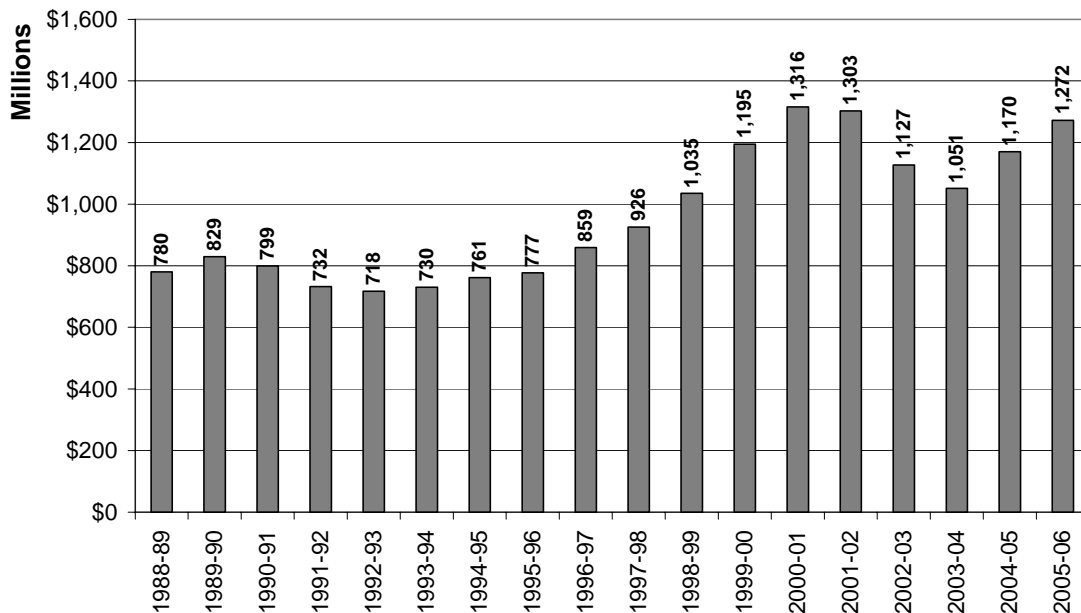
**General Fund Appropriations  
Per In-State FTE Student,  
1992-93, 2001-02 And 2005-06**

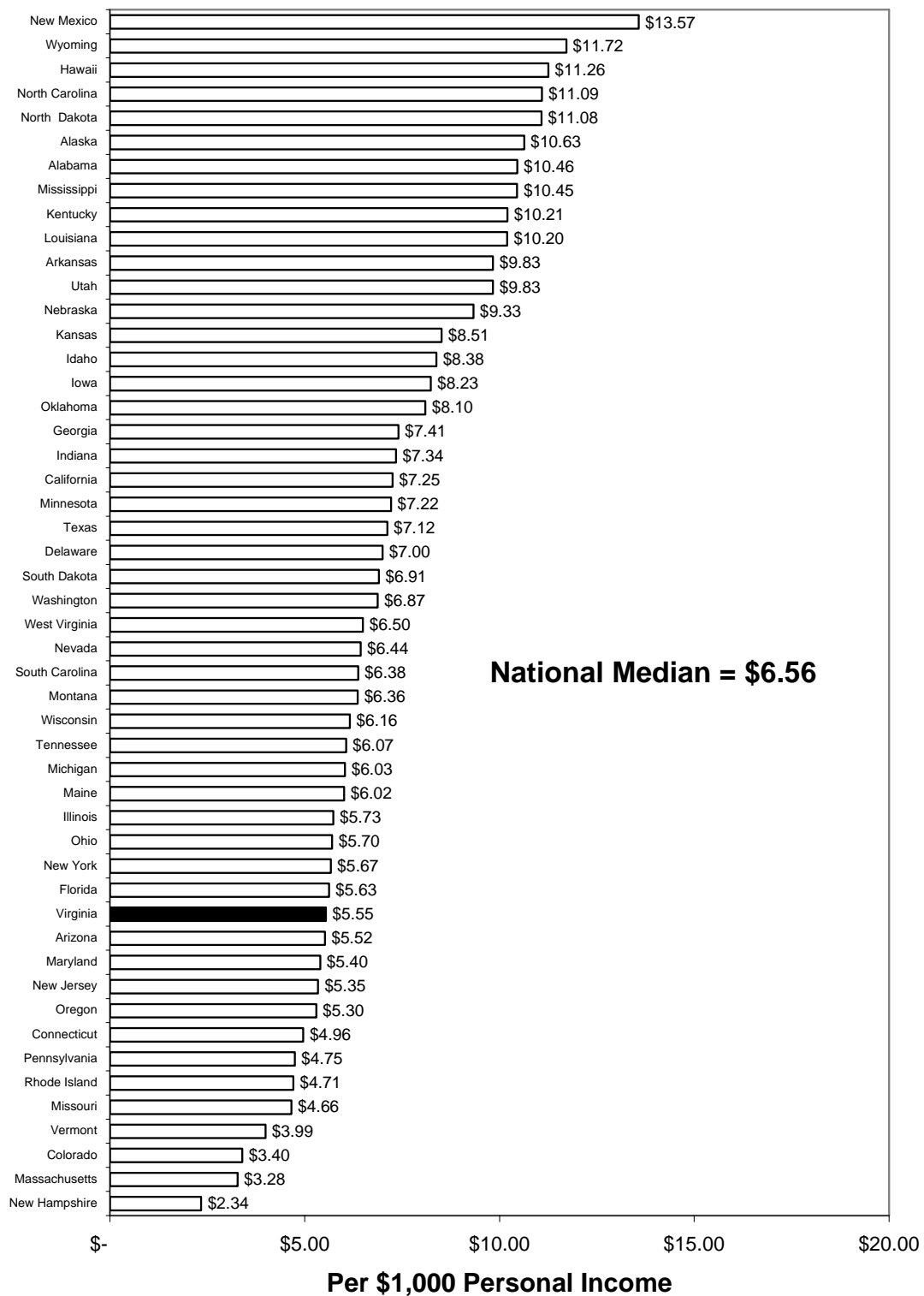


JMU's 2005-06 general fund appropriation per in-state FTE student was \$1,490 below the average of the four-year Virginia public institutions. Its 2005-06 appropriation was \$486 below 2000-01. Were JMU to be funded at the average for all four-year institutions in 2005-06, its general fund appropriation would increase by \$16.0 million.

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.

**General Fund Appropriations (E&G)  
All Higher Education Institutions**





Source: Postsecondary Education OPPORTUNITY, February 2006

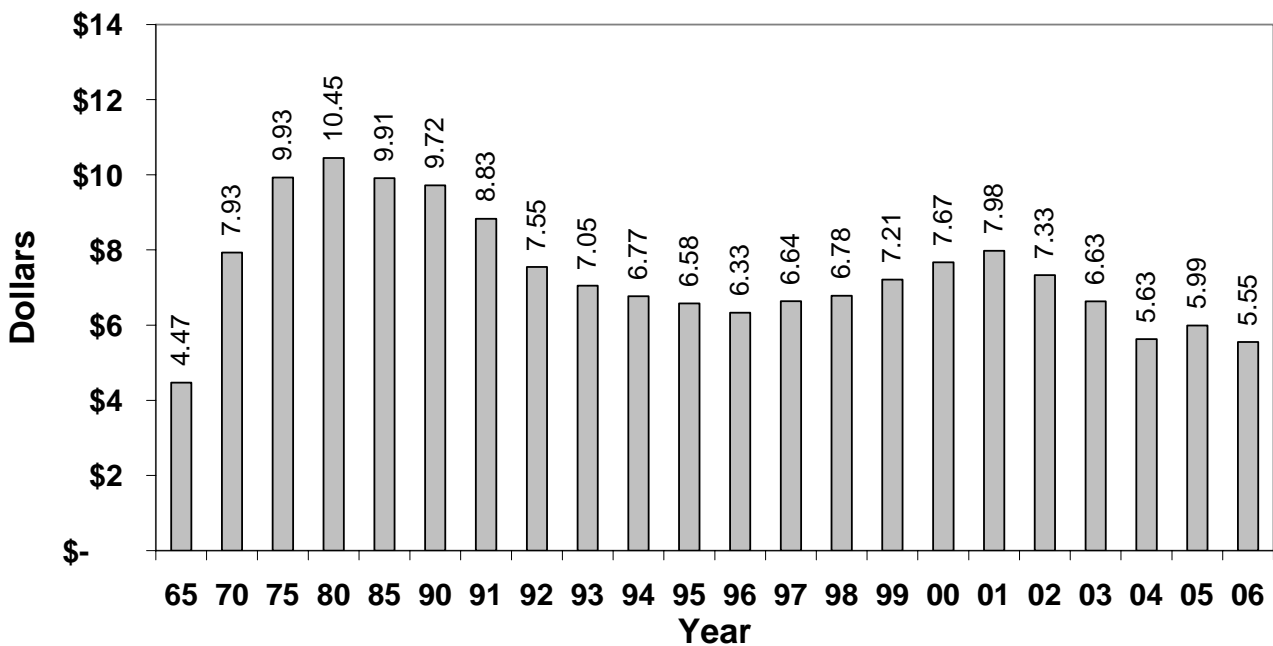
Source: SCHEV

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 \$5.55 (down from 5.99 last year) to the operation of its public higher education system for each \$1,000 of personal income—or \$1.01 below the national mean of \$6.56. This level places the Commonwealth in 38<sup>th</sup> place (same as last year) out of the 50 states.

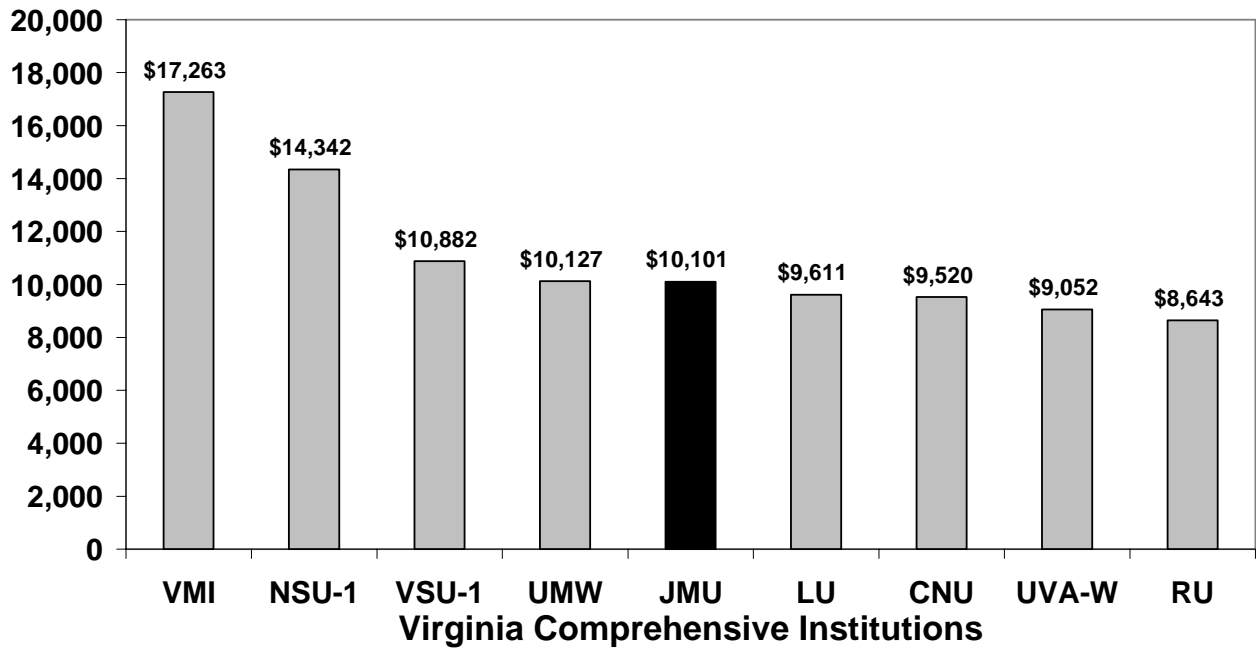
The graph presented below demonstrates the changes in the Commonwealth’s higher education effort since 1965. From a high of appropriating \$10.45 per \$1,000 in income in 1980, Virginia dropped to \$5.55 in FY06. This represents a 47 percent decline since 1980.

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



Source: Postsecondary OPPORTUNITY, February 2006

## Total E&G Appropriation Per FTE Student 2005-06

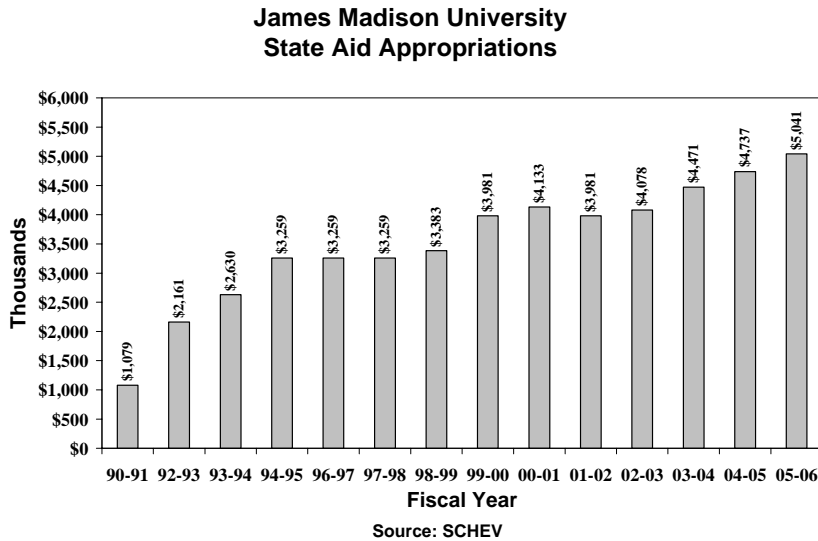


**Source: SCHEV**

-1 Includes OCR Funding

For 2005-06 JMU's total E&G appropriation per student was 10,101. It was ranked fifth out of the nine comprehensive institutions. In 2004-05 it ranked seventh at \$8,866.

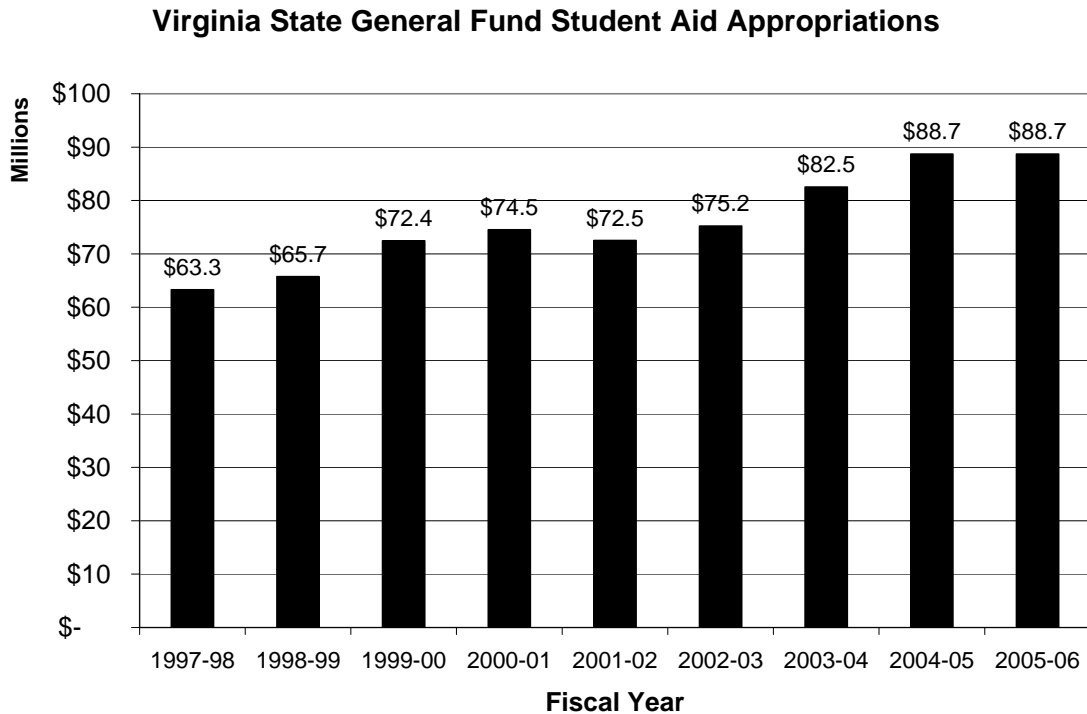
### 3.4 Financial Aid Appropriations



The Virginia General Assembly became concerned about the impact of the sizable tuition increases that resulted from 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 1990-91 and 2005-06, the financial aid appropriations for JMU

increased by 367 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 the 2004-06 biennium \$6.2 million in additional funds were allocated to offset the increased tuition for students with financial need.

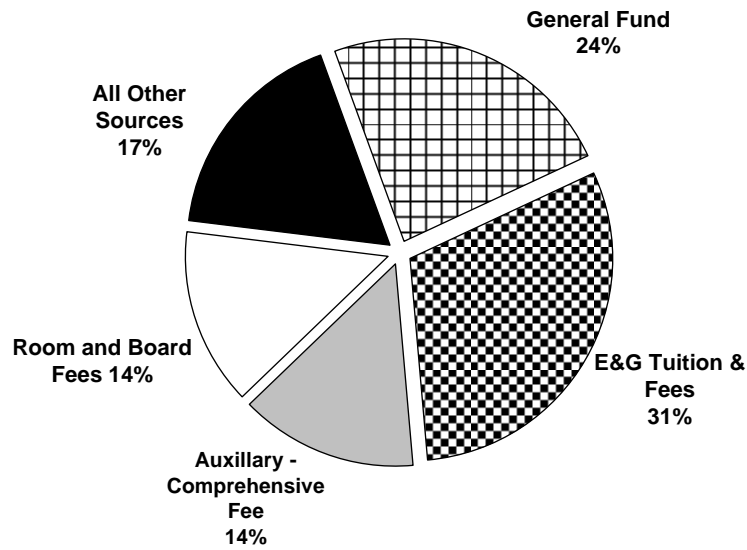


Source: SCHEV

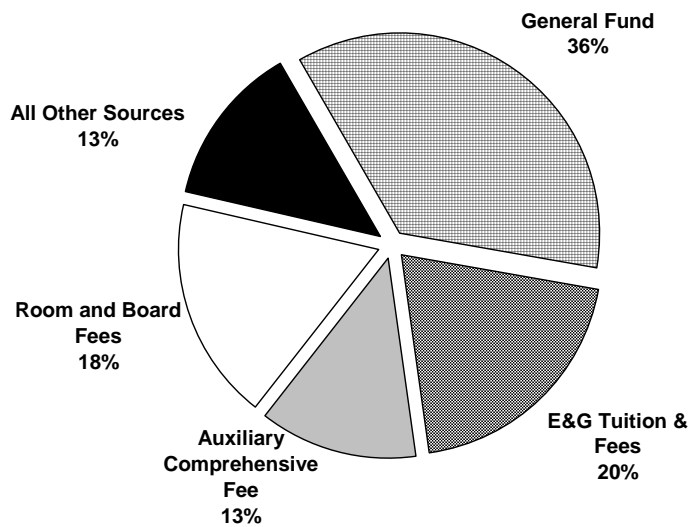
### 3.5 JMU Total Operating Revenues

General Fund appropriations provided 36 percent of all JMU sources of revenue in 1988-89. During 2004-05, the same source is projected to provide 24 percent of all revenue. Correspondingly, E&G tuition and fees have risen from 20 percent of all revenues to 31 percent over the same period.

**Distribution of JMU Total Operating Revenues 2004-05**



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



Source: Budget Office

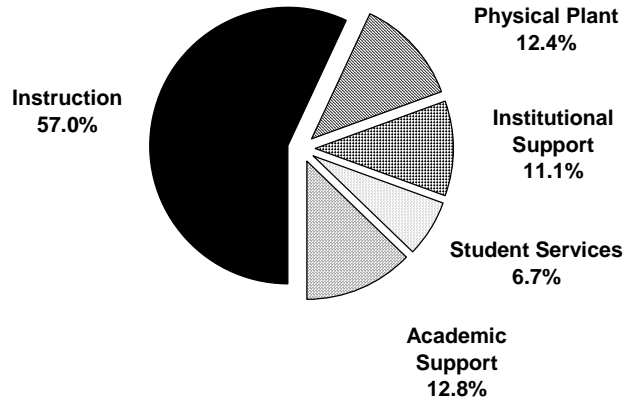
## 4.0 EXPENDITURES

### 4.1 Total Operating Expenditures

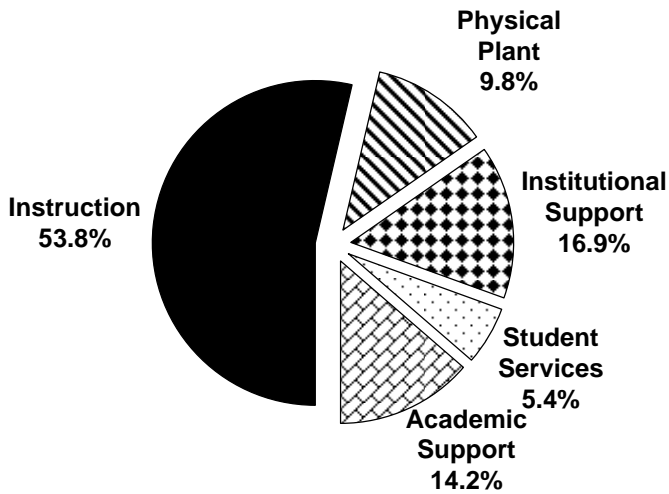
As demonstrated by the charts to the right and below, financial resources remain highly concentrated on the university's core business — instruction.

Instructional functions detailed in the charts as instruction and academic support represented 69.8 percent of JMU's 1988-89 budget. In 2004-05 the percentage is 68.0 percent.

#### Distribution of JMU E&G Operating Expenses 1988-89



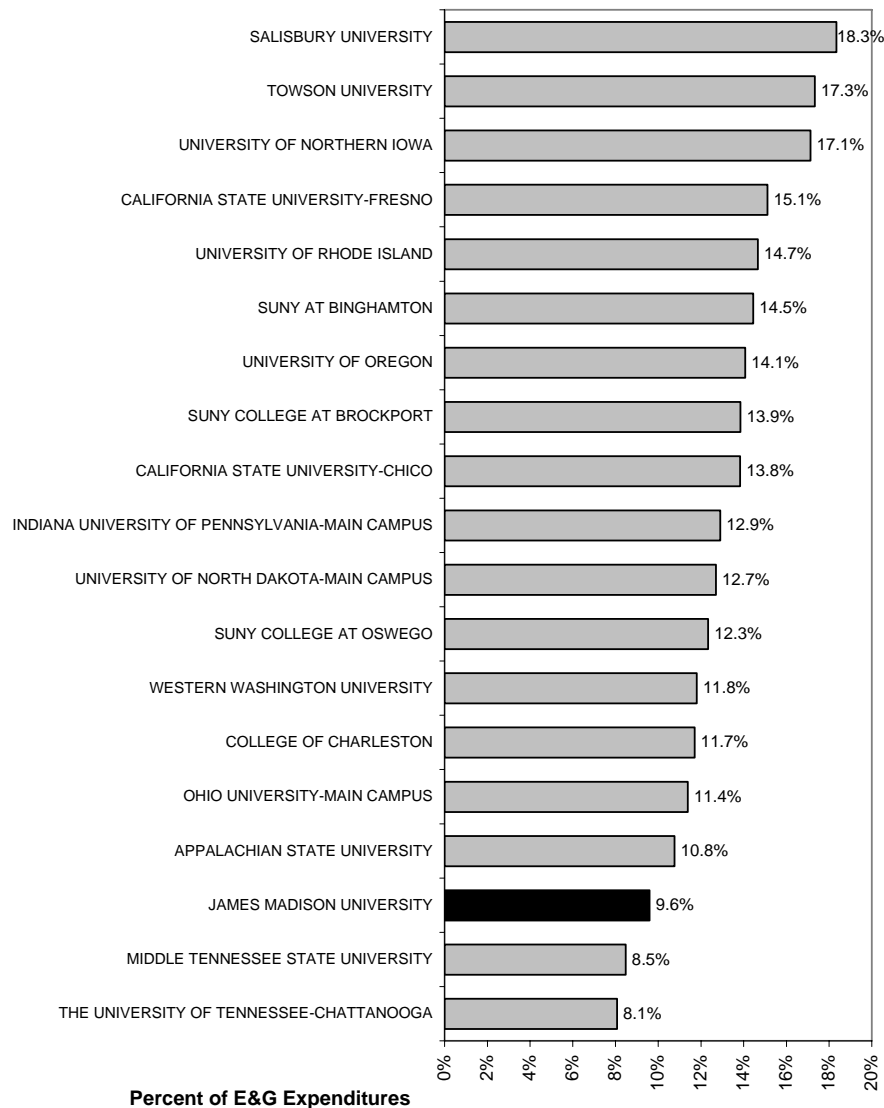
#### Distribution of JMU E&G Operating Expenses, 2005-06



The total percent of the budget spent on non-instructional administrative functions increased slightly to 35 percent for the seventeen-year period. However, there were shifts away from student services and physical plant to institutional support. The major causes of these shifts are technology-related costs for software, hardware and maintenance and expanded university relations and development activities.

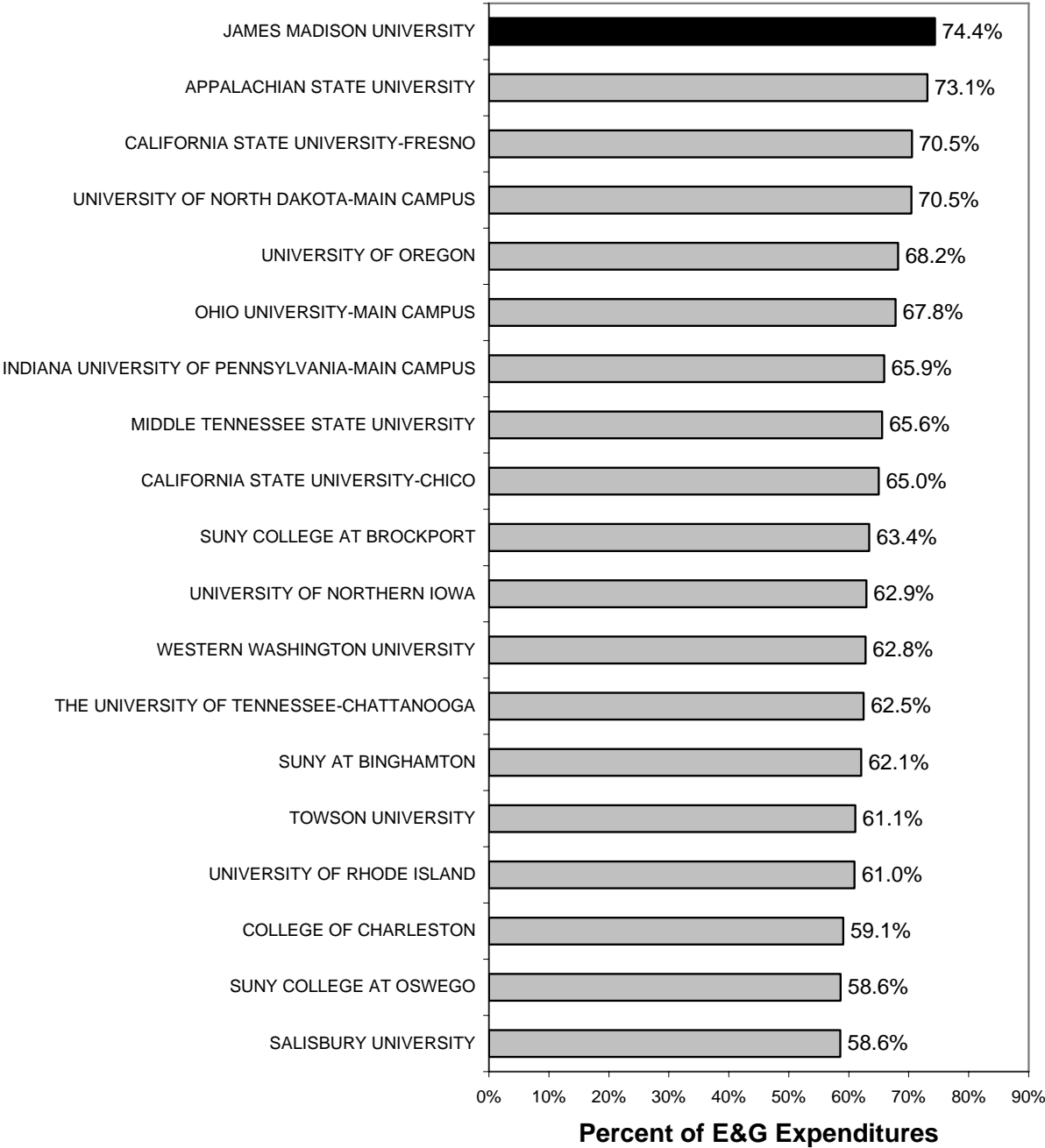
When JMU is compared to the public institutions in its national peer group (approved by State Council of Higher Education), the 2003-04 data indicate that JMU is the highest institution in support of instruction (see chart on page 30). As indicated in the chart below, JMU spends a smaller percent on institutional support than all but two of its peer institutions. JMU continues to operate administrative functions efficiently in order to concentrate resources on the university's primary mission of instruction. In fact, during the budget impasse of a few years ago the University purposely preserved its instructional budgets at the expense of institutional support.

**Institutional Support \* as a Percent of FY04 E&G Expenditures: SCHEV Peers**



\* Excluding Research, Public Service, Scholarships and Fellowships, and Transfers.  
 Data not available for University Of Delaware, Bradley University  
 University Of Notre Dame, Providence College, Baylor University, and Texas  
 Christian University.

**Instructional and Academic Support\* Expenditures as a  
Percent of FY04 E&G Expenditures: SCHEV Peers**

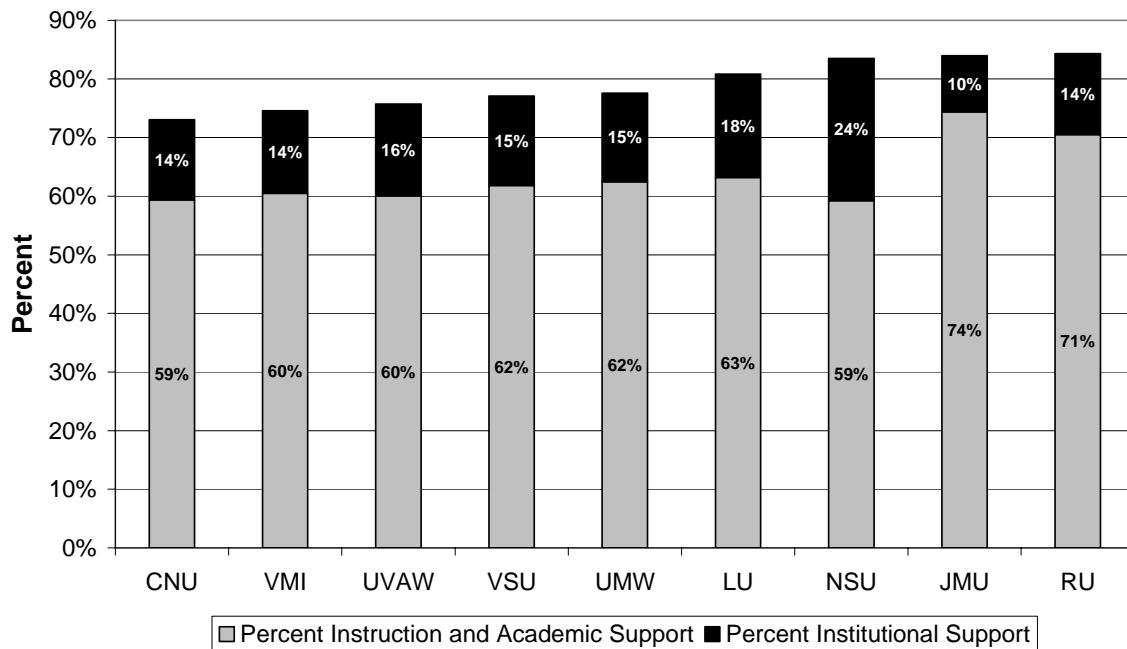


\*Excluding Research, Public Service, Scholarships and Fellowships, and Transfers.  
Data not available for University Of Delaware, Bradley University  
University Of Notre Dame, Providence College, Baylor University, and Texas  
Christian University.

The graphic on the previous page shows JMU's commitment to instruction. JMU spends the highest percentage of its E&G budget on instruction in its peer group. The fact that JMU has such a high percentage of its budget devoted to instruction and one of the lowest percentages devoted to institutional support demonstrates that JMU clearly focuses its resources on its mission of educating students.

The chart presented below compares academic and institutional support for Virginia's comprehensive institutions. Of the Virginia comprehensive institutions in 2003-04, JMU ranks second highest in percent of E&G budget spent on instruction and academic support (combined) and last in percent of E&G budget spent on institutional support.

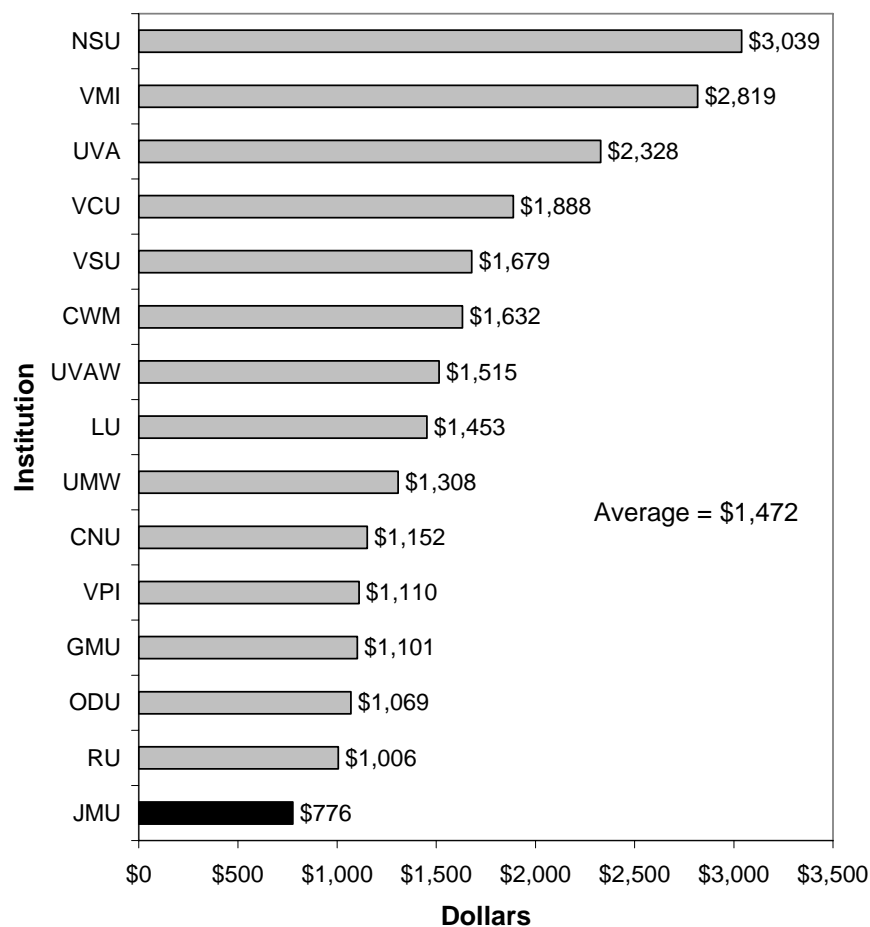
**FY04 E&G Expenditures\***  
**Virginia Public Comprehensives**



\* Excluding Research, Public Service, Scholarships and Fellowships, and Transfers

The chart presented below analyzes institutional expenditures in a slightly different manner. Instead of examining institutional support as a percent of the E&G operating budget, this graphic looks at the same expenditure category on a FTE student (FTES) basis. It could be argued that this represents a truer picture of expenditures than the percentage when comparing institutions with different educational missions — e.g., comprehensive and doctoral institutions. For doctoral-level institutions, the percent of E&G expenditures used for institutional support is lessened by their huge research budgets that are included in their total E&G expenditures.

### E&G Expenditures FY 2004 Institutional Support Per FTES



Source: IPEDS Finance Reports And SCHEV

Of the

Virginia institutions, JMU again ranks last at \$776 per FTES expended on institutional support in FY 2004. This figure is \$230 per student less than the next lowest institution (Radford University) and \$2,263 less than the highest (NSU). On a per student basis, JMU has for many years been administratively the leanest institution in the Commonwealth.

## 4.2 Faculty and Staff Salaries

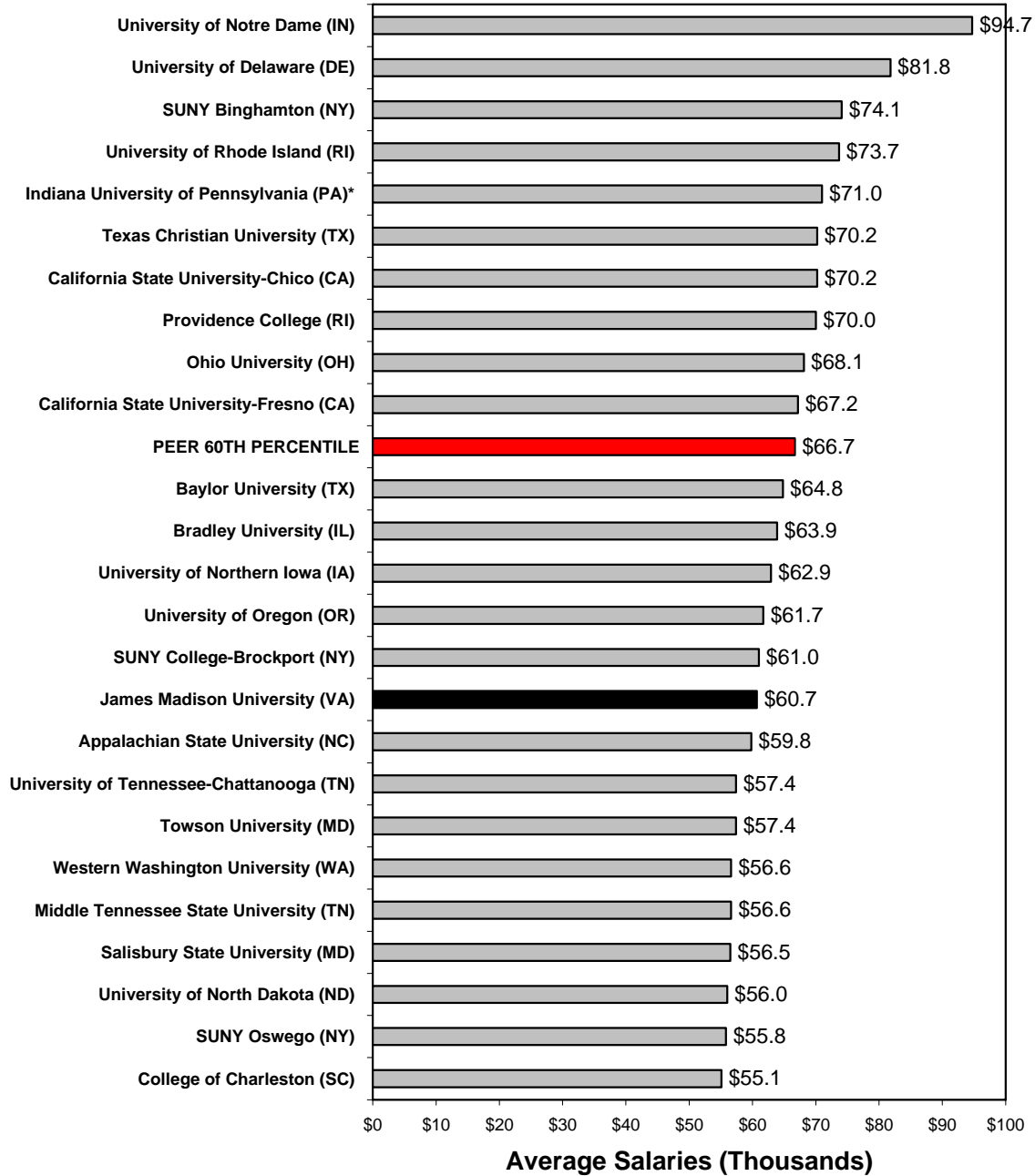
In the spring of 1997 JMU and the other Virginia publicly funded colleges and universities negotiated new peer institutions. These replaced the peer groups created with the State Council in 1986 as a benchmark in support of the public policy objective that all state colleges and universities offer competitive faculty salaries equal to the 60<sup>th</sup> percentile of a national group of its peer institutions. JMU's current position is 16<sup>th</sup> out of 25 institutions, down from 12<sup>th</sup> in 2000-01. The 60<sup>th</sup> percentile faculty salary for 2004-05 was \$66,700, thereby putting JMU's appropriated average salary \$6,000 below the objective. Comparative information for 2005-06 will be available in Spring 2006.

As demonstrated by the data shown on page 36, the 1996-97 through 1999-2000 salary increases for faculty, administrators, and classified staff exceeded the CPI. In 2000-01 the CPI exceeded the average salary increases. In 2001-02 no faculty or staff received salary increases due to the budget impasse and the monthly cost of the family medical plan increased to \$218. In 2002-03 the family medical plan increased to \$240. In 2003-04 the Commonwealth instituted a new medical plan, COVA Care, which reduced the monthly premium to \$99. In 2004-05 the University funded salary increases for all faculty and staff in July (2.0% for all instructional faculty plus 1.0% for full professors; 1.0% for all administrators and classified staff). In December all eligible faculty, administrators, and classified staff received a 3.0 percent increase. The family medical premium increased to \$113. The 2004-05 and 2005-06 salary increases exceeded the CPI.

Classified salary increases outpaced those for both instructional faculty and administrators during 1993-94 and 1994-95 because the General Assembly funded a statewide merit program. During 1995-96, classified staff received the same percentage pay raise as instructional faculty and administrators. In 1996-97 their raises were greater than faculty and administrators, but were less than faculty in 1997-98. In 1998-99 the increases for classified staff were higher than administrators, but smaller than faculty. In 1999-00 and 2000-01 the increases for classified staff were higher than the other two groups. In 2001-02 no classified staff received raises. Classified staff received a 2.5 percent bonus in August 2002. A 3.00 percent raise for all classified staff occurred in December 2004 in addition to the 1.00 percent July bonus. In December 2005 instructional faculty received a 5.00 percent raise, and administrative and classified staff received a 4.00 percent raise.

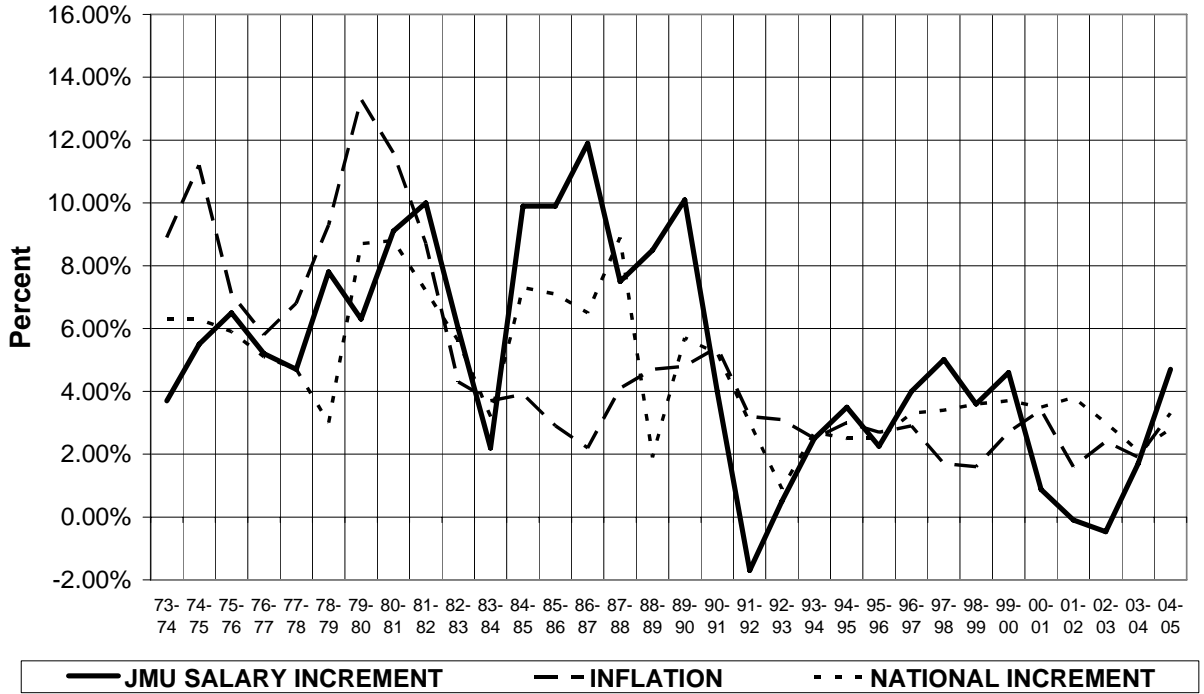
Between 1989-90 and 1999-00 the appropriated salary raises for faculty and classified staff slightly exceeded the CPI due to the higher raises and lower CPI in the last three years. Between 1989-90 and 1994-95, the monthly cost for family medical insurance increased by 67 percent from \$102 to \$170. The monthly cost of family medical plan insurance decreased to \$157 in 1995-96, but again increased to \$240 by 2001-02, a 66.7 percent increase since 1995-96. A new medical plan instituted by the Commonwealth decreased the monthly premium to \$113 for 2004-05. In 2005-06 the family medical plan increased to \$127.

## SCHEV Peer Group Average Faculty Salaries, 2004-05



60<sup>th</sup> Percentile Faculty Salary = \$66.7 (Thousands)

### Inflation and JMU Faculty Salaries 1973-74 To 2004-05



Source: Institutional Research and AAUP

**Appropriated Salary Increases and Cost of Family Medical Coverage  
1989-90 to 2005-06**

Year	CPI Increase (December To December) *	Appropriated Salary Increase			Monthly Cost of Family Medical Plan
		Instructional Faculty	Administrative Faculty	Classified Staff	
1989-90	4.6%	7.65%	5.90%	3.25%	102
1990-91	6.1%	2.36%	1.90%	3.00%	147
1991-92	3.1%	0.00%	0.00%	0.00%	159
1992-93	2.9%	2.00%	2.00%	2.00%	155
1993-94	2.7%	3.60%	3.60%	6.50%	170
1994-95	2.7%	3.40%	3.40%	3.57%	170
1995-96	2.5%	2.25%	2.25%	2.25%	157
1996-97	3.3%	4.00%	4.00%	4.35%	157
1997-98	1.7%	5.00%	4.00%	4.00%	157
1998-99	1.6%	6.10%	3.10%	3.67%	170
1999-00	2.7%	6.10%	4.00%	6.25%	185
2000-01	3.4%	3.00%	3.00%	3.25%	207
2001-02	1.6%	0.00%	0.00%	0.00%	218
2002-03	2.4%	<sup>1</sup> 2.50%	2.50%	2.50%	240
2003-04	1.9%	2.25%	2.25%	2.25%	99
2004-05 July <sup>2</sup>		2.00% Instructional Faculty 1.00% Additional for Full Professors	1.00%	1.00% Bonus	
2004-05 December	3.3%	3.00%	3.00%	3.00%	113
2005-06	3.4%	5.00%	4.00%	4.00%	127

**Source: JMU Budget Office and Human Resources**

Note: 1990-91 percentage allows for the 2 percent salary reduction in December, 1990. Since 1992-93, salary increase percentages are effective in December of each fiscal year. Effective date of change in health care cost varies from year to year.

<sup>1</sup> In August 2002 all continuing faculty, staff, and administrators received a 2.50 percent bonus that was not added to the base salary.

<sup>2</sup> In July 2004 JMU funded raises for all employees. The Commonwealth also funded raises for all eligible employees beginning in December 2004.

\* [Inflation Statistics](#) from Bureau of Labor Statistics.

[Health insurance figures](#) from Virginia Department of Human Resources Management. Medical plan is COVA Care, one spouse State employee.