

## 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.