

## 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 '05-'06 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 2005-06, 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 2005-06 Virginia ranked 10<sup>th</sup> out of 14 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 \$7.9 million in additional general 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 FY 05-06 position is 14<sup>th</sup> out of 25 of its national peer institutions. The July faculty raises for 2005-06 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. The average CPI increase over an 18 year period is 2.9 percent and the average faculty appropriated salary increase is 3.62 percent.