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INTRODUCTION

This report has been prepared for the James Madison University community by the Office of Institutional Research. The material presented herein is a continuation of similar reports prepared by OIR since 1990 for the Board of Visitors. 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.

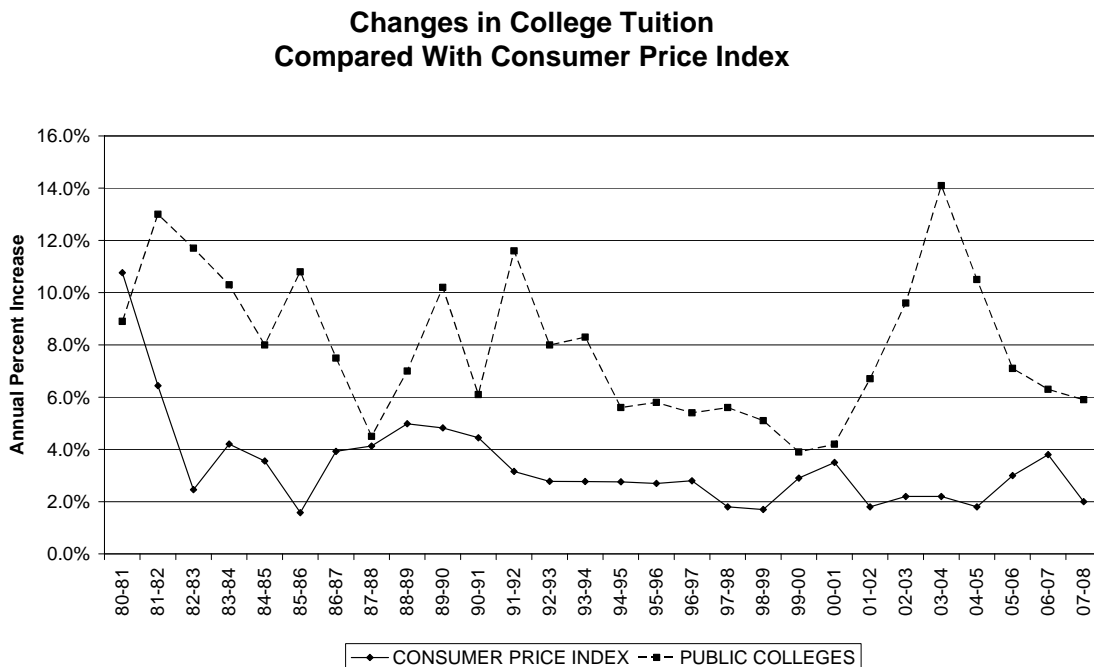
The purpose of this report is to identify and describe significant national, regional and state factors affecting the financing of higher education. Trends affecting tuition and fees, state appropriations and expenditure are analyzed in separate sections of the report.

Some highlights of this year's report include the following data from the 2007 and 2008 fiscal years:

- 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 13th highest, required fees ranks 4th, and room and board ranks 6th. Total in-state tuition, required fees, and room and board ranks 7th and JMU's out-of-state total cost ranks 8th.
- 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 2006-07, 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 2006-07 Virginia ranked 11th 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 from students and parents, not from state support. This trend has been demonstrated through the funding received by JMU in recent years.
- Between 2006-07 and 2007-08 \$14.8 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 18th out of 25 of its new national peer institutions. .
- Appropriated salary percentage increases for faculty and classified staff have exceeded the CPI in five out of the last six fiscal years. Benefits as a percentage of total compensation have increased by more than 10 percentage points since 1996-97.

2.0 TUITION AND FEES

2.1 National Trends



Concerns over the rising costs of attending colleges and universities have been raised for many years and are influencing state policies regarding tuition and fees. Since 1981-82 the average cost for 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 from 2000-01 to 2004-05 as states dramatically reduced general fund appropriations for public higher education in response to declining tax revenues. Colleges and universities increased tuition to compensate. Tuition and fee increases moderated somewhat in 2006-07 and 2007-08, but are likely to increase in the next several years due to the national economic downturn that have restricted state tax revenues.

Factors involved in rising costs for higher education include:

- Reduction in state general fund support,
- Increase in the costs of medical insurance for faculty and staff,
- 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 2007 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 11th highest among the fifty states¹. This is an improvement from previous years when Virginia was ranked as high as 2nd. 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 2006-07 was the 14 highest out of 46 states for in-state students and 23rd highest for out-of-state students. 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's comprehensive institutions (including JMU) ranked 11th highest among the fifty states and \$1,234 above the national average. In 1995-96 Virginia had the 2nd highest rate of increase.

Virginia's one-year rate of change for in-state tuition and required fees for 2006-07 was 8.8 percent. This was 0.2 percent higher than the national average of 8.6 percent. For out-of-state students, Virginia's average increase was 8.4 percent, 3.7 percent above the national average of 4.7 percent.

The graphic on page 7 compares JMU's tuition and fees to those of our SCHEV peer group. JMU ranks 17th highest out of 25 peer institutions. JMU's 2007-08 tuition and required fees are \$6,666. This figure is below our peer group average of \$15,119. However, when JMU's figure is compared with the 15 other publicly funded peer institutions, it ranks 7th highest. The public average for 2007-08, including JMU, is \$6,972.

¹ 2007-08 Tuition and Fees at Virginia's State-Supported Colleges and Universities, State Council of Higher Education for Virginia, July 2007.

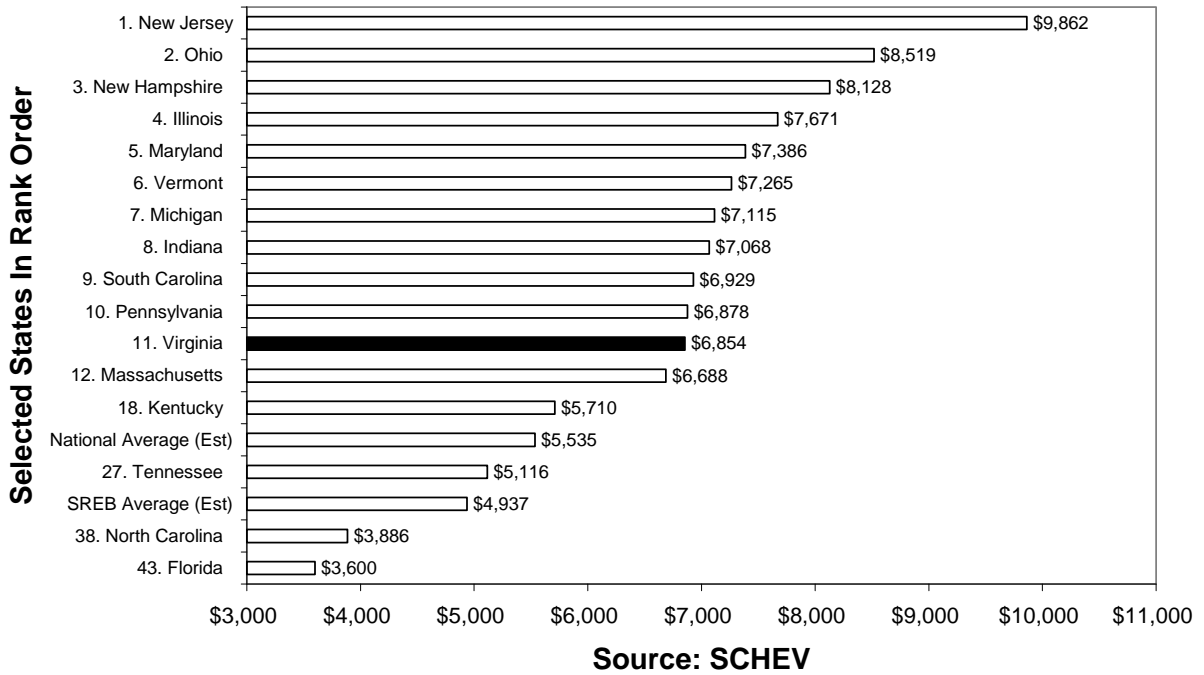
*Resident Undergraduate Tuition and Required Fees
(State Averages) Colleges and State Universities*

State	Rank	2002-03	2003-04	2004-05	2005-06	2006-07	One Year	Four Year
Alabama	29	3,488	3,913	4,413	4,570	4,627	1.2%	32.7%
Arizona	28	2,583	3,593	4,067	4,399	4,720	7.3%	82.7%
Arkansas	23	3,725	4,130	4,575	4,951	5,188	4.8%	39.3%
California	45	2,072	2,649	2,993	3,225	3,228	0.1%	55.8%
Colorado	44	2,704	2,765	2,951	3,212	3,287	2.3%	21.6%
Connecticut	13	4,556	5,149	5,630	5,925	6,231	5.2%	36.8%
Florida	43	2,698	2,876	3,111	3,288	3,383	2.9%	25.4%
Georgia	41	2,605	2,848	3,019	3,245	3,434	5.8%	31.8%
Idaho	34	3,060	3,350	3,610	3,936	4,172	6.0%	36.3%
Illinois	4	4,606	5,238	5,968	6,780	7,210	6.3%	56.5%
Indiana	8	4,468	4,936	5,390	6,171	6,643	7.6%	48.7%
Iowa	14	4,118	4,916	5,387	5,602	6,112	9.1%	48.4%
Kansas	36	2,593	2,946	3,285	3,538	3,771	6.6%	45.4%
Kentucky	18	3,205	3,644	4,189	4,813	5,367	11.5%	67.5%
Louisiana	39	2,608	3,020	3,260	3,399	3,523	3.6%	35.1%
Maine	22	3,860	4,183	4,496	4,836	5,259	8.7%	36.2%
Maryland	5	5,225	5,747	6,252	6,755	6,942	2.8%	32.9%
Massachusetts	12	4,075	4,988	5,556	5,882	6,286	6.9%	54.3%
Michigan	7	4,943	5,423	5,584	6,268	6,687	6.7%	35.3%
Minnesota	15	3,970	4,517	5,098	5,251	5,656	7.7%	42.5%
Mississippi	33	3,531	3,531	3,801	3,982	4,231	6.3%	19.8%
Missouri	17	4,127	4,562	4,941	5,112	5,386	5.4%	30.5%
Montana	30	3,707	3,827	4,140	4,403	4,615	4.8%	24.5%
Nebraska	31	3,199	3,659	3,930	4,234	4,479	5.8%	40.0%
Nevada	37	2,490	2,670	3,210	3,270	3,732	14.1%	49.9%
New Hampshire	3	5,995	6,375	6,759	7,190	7,639	6.2%	27.4%
New Jersey	1	6,533	7,166	7,875	8,653	9,269	7.1%	41.9%
New Mexico	46	2,222	2,471	2,687	2,864	3,065	7.0%	37.9%
New York	21	4,153	5,129	5,171	5,238	5,318	1.5%	28.1%
North Carolina	38	2,677	2,812	3,129	3,244	3,652	12.6%	36.4%
North Dakota	26	3,191	3,594	4,138	4,530	4,882	7.8%	53.0%
Ohio	2	5,920	6,620	7,139	7,567	8,007	5.8%	35.3%
Oklahoma	40	2,377	2,762	3,027	3,284	3,500	6.6%	47.2%
Oregon	16	4,223	4,493	4,538	4,727	5,551	17.4%	31.4%
Pennsylvania	10	5,532	5,820	6,103	6,263	6,464	3.2%	16.8%
Rhode Island	25	3,761	3,995	4,340	4,676	4,958	6.0%	31.8%
South Carolina	9	4,340	5,082	5,540	5,984	6,512	8.8%	50.0%
South Dakota	19	3,987	4,322	4,566	4,793	5,351	11.6%	34.2%
Tennessee	27	3,491	3,958	4,200	4,629	4,808	3.9%	37.7%
Texas	24	3,259	3,763	4,338	4,267	5,121	20.0%	57.1%
Utah	42	2,426	2,632	2,876	3,165	3,432	8.4%	41.5%
Vermont	6	5,374	5,806	6,146	6,484	6,828	5.3%	27.1%
Virginia	11	4,417	5,023	5,479	5,906	6,426	8.8%	45.5%
Washington	32	3,471	3,700	3,947	4,178	4,419	5.8%	27.3%
West Virginia	35	2,870	3,162	3,576	3,886	4,141	6.6%	44.3%
Wisconsin	20	3,526	4,180	4,730	5,072	5,334	5.2%	51.3%
National Average		3,738	4,173	4,547	4,779	5,192	8.6%	38.9%
Virginia Ranking		11	12	12	12	11	9	14

*Nonresident Undergraduate Tuition and Required Fees
(State Averages) Colleges and State Universities*

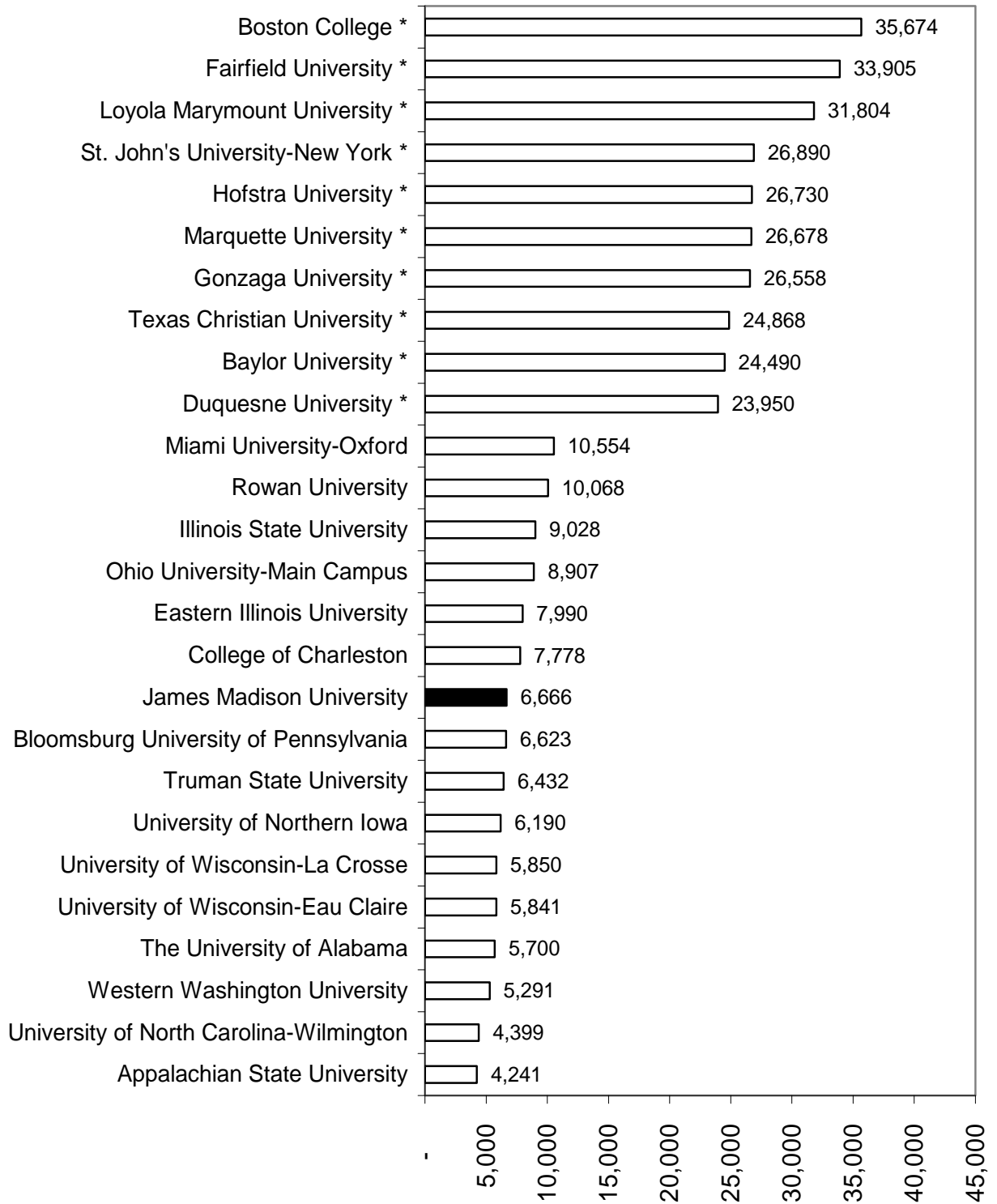
State	Rank	2002-03	2003-04	2004-05	2005-06	2006-07	One Year	Four Year
Alabama	43	6,694	7,500	8,485	8,722	8,803	0.9%	31.5%
Arizona	6	11,103	12,113	12,755	14,058	15,403	9.6%	38.7%
Arkansas	36	7,535	8,176	8,986	9,763	10,224	4.7%	35.7%
California	20	10,532	11,109	13,151	13,393	13,398	0.0%	27.2%
Colorado	30	9,501	10,290	10,784	11,530	11,609	0.7%	22.2%
Connecticut	11	10,758	12,134	13,146	13,864	14,553	5.0%	35.3%
Florida	3	11,971	13,781	15,540	15,778	15,845	0.4%	32.4%
Georgia	32	8,860	9,781	10,298	10,923	11,524	5.5%	30.1%
Idaho	29	9,380	10,010	10,678	11,490	12,196	6.1%	30.0%
Illinois	18	9,158	10,159	11,239	12,276	13,479	9.8%	47.2%
Indiana	5	11,438	12,379	13,334	14,549	15,539	6.8%	35.9%
Iowa	15	10,426	11,874	12,705	13,214	14,028	6.2%	34.5%
Kansas	34	8,253	9,206	9,949	10,591	10,990	3.8%	33.2%
Kentucky	22	8,419	9,290	10,697	12,209	13,318	9.1%	58.2%
Louisiana	42	8,037	8,468	8,708	8,888	9,327	4.9%	16.1%
Maine	28	8,980	9,763	10,476	11,446	12,369	8.1%	37.7%
Maryland	4	11,511	12,701	13,877	14,971	15,701	4.9%	36.4%
Massachusetts	13	11,480	12,636	13,288	13,765	14,321	4.0%	24.7%
Michigan	7	11,164	12,205	12,617	14,039	15,205	8.3%	36.2%
Minnesota	41	6,781	7,939	8,498	8,730	9,334	6.9%	37.6%
Mississippi	40	8,152	8,152	8,718	9,134	9,824	7.6%	20.5%
Missouri	39	7,732	8,552	9,156	9,434	9,887	4.8%	27.9%
Montana	26	10,319	11,116	12,193	12,547	12,876	2.6%	24.8%
Nebraska	45	5,760	6,595	7,061	7,620	8,053	5.7%	39.8%
Nevada	17	10,275	11,157	11,884	12,737	13,643	7.1%	32.8%
New Hampshire	9	11,655	12,425	13,199	14,030	14,909	6.3%	27.9%
New Jersey	8	10,447	11,430	12,537	13,384	15,110	12.9%	44.6%
New Mexico	33	8,438	9,023	9,695	10,424	11,321	8.6%	34.2%
New York	31	9,115	11,079	11,440	11,498	11,546	0.4%	26.7%
North Carolina	23	11,534	12,112	12,504	12,859	13,297	3.4%	15.3%
North Dakota	37	6,944	7,983	9,292	10,173	10,004	-1.7%	44.1%
Ohio	2	12,685	13,759	14,731	15,372	16,030	4.3%	26.4%
Oklahoma	44	5,530	6,662	7,386	8,044	8,556	6.4%	54.7%
Oregon	14	10,843	11,304	11,122	11,537	14,071	22.0%	29.8%
Pennsylvania	19	11,356	12,058	12,196	12,492	13,405	7.3%	18.0%
Rhode Island	25	9,525	10,195	11,110	11,988	12,888	7.5%	35.3%
South Carolina	27	8,530	10,029	10,935	11,833	12,839	8.5%	50.5%
South Dakota	46	8,236	9,033	9,410	9,780	6,542	-33.1%	-20.6%
Tennessee	12	10,502	11,834	12,650	13,934	14,503	4.1%	38.1%
Texas	21	9,734	10,799	12,327	12,831	13,330	3.9%	36.9%
Utah	35	7,292	7,958	8,736	9,599	10,415	8.5%	42.8%
Vermont	10	11,586	12,360	13,086	13,804	14,556	5.4%	25.6%
Virginia	1	11,995	13,068	13,927	14,800	16,040	8.4%	33.7%
Washington	16	11,626	12,168	12,751	13,363	13,939	4.3%	19.9%
West Virginia	38	7,016	7,767	8,576	9,194	9,958	8.3%	41.9%
Wisconsin	24	13,572	14,226	14,776	15,119	12,890	-14.7%	-5.0%
Average		9,617	10,530	11,317	11,994	12,555	4.7%	30.6%
National Average		9.0%	9.5%	7.5%	6.1%	4.6%		
Virginia Ranking		3	4	4	5	1	9	23

2007-08 Estimated In-State Tuition & Fees Public Comprehensives



Note: SREB and National tuition and fees were estimated to increase by 6.6 percent between 2006-07 and 2007-08.

New Faculty Salary Peer Group In-State Tuition and Required Fees 2007-08



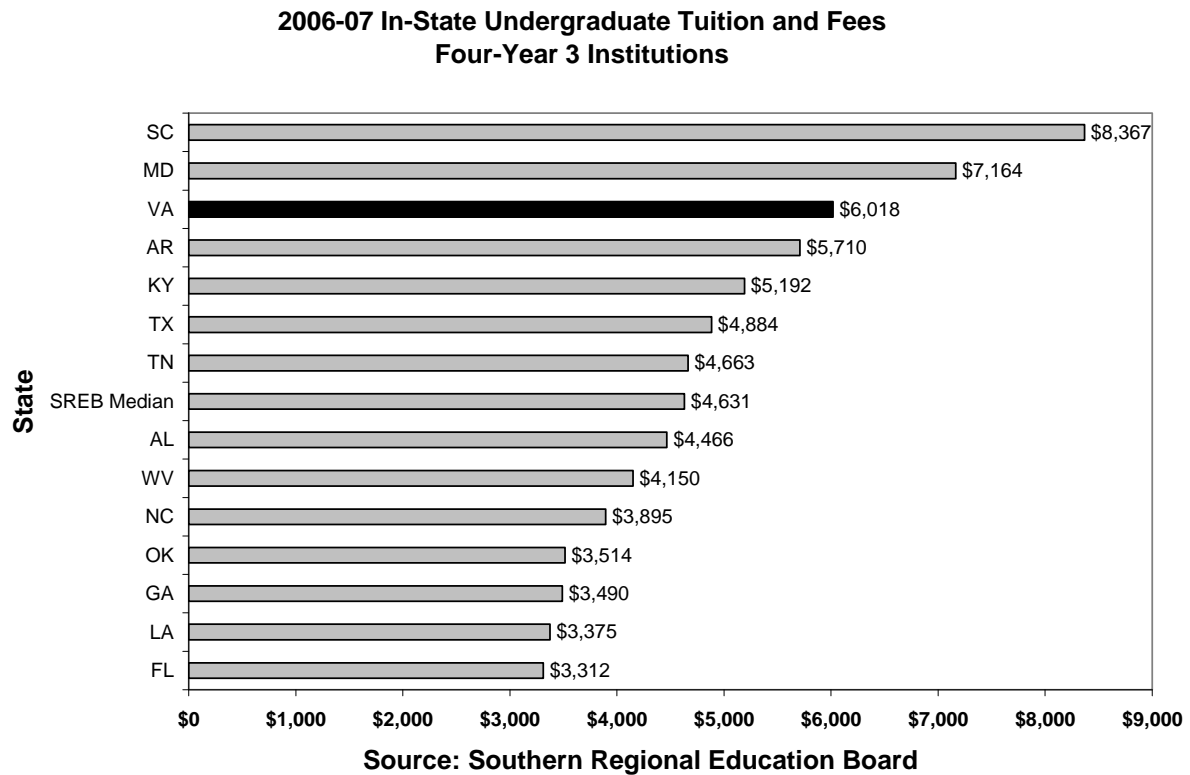
Average = \$15,119; Public Average = \$6,972

2.2 Regional Trends

Virginia is affiliated with 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 public higher education. Data for 2007-08 will be available in December 2008 and will appear in next year's report.

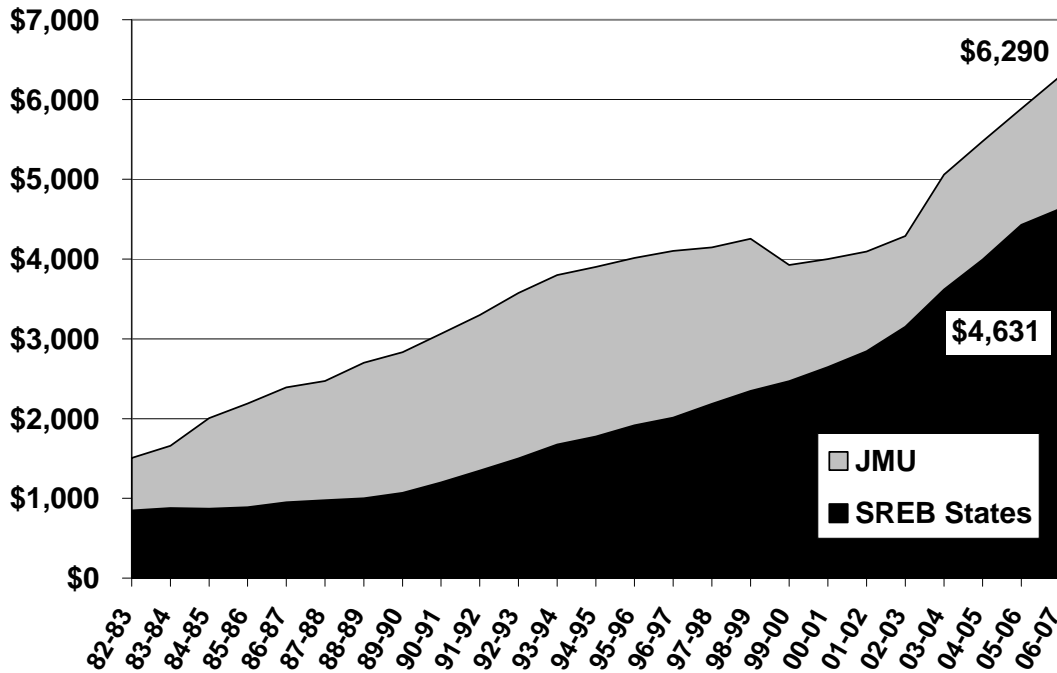
As the graphic below demonstrates, Virginia has the third highest tuition and fees for in-state undergraduates at regional Four-Year 3 institutions. JMU has held this same position for the last three years. Virginia's increase (8 percent) was below the median (11 percent) for all the states.



"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 such as music, science laboratories, or nursing. Other fees unique to given situations are not 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

**In-State Tuition and Fees
JMU & SREB States, 1982-83 to 2006-07**



Source: SREB

for Four-Year 3 institutions over the past ten years. Since 1997-98, in-state undergraduate student charges at JMU rose 52 percent while median charges in the region went up 112 percent. JMU's tuition and fees are now 130 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 2006-07, JMU's in-state tuition and required fees were \$1,659 above the regional median for comparable institutions. The chart above shows how JMU's changes in tuition and fees have been far more variable than the SREB region institutions as a whole.

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 (middle score).

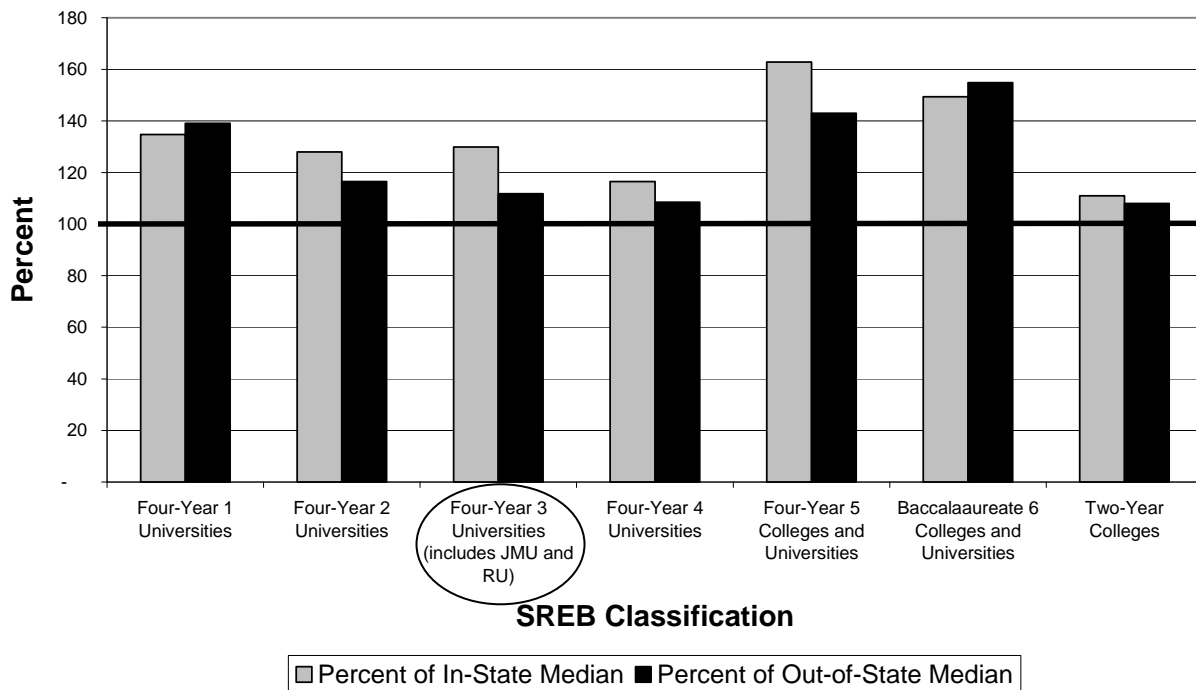
Virginia Highlights

Percent of SREB Median Tuition and Fees by Residence, 2006-07

SREB Classification	Percent of In-State Median	Percent of Out-of-State Median
Four-Year 1 Universities	135	139
Four-Year 2 Universities	128	116
Four-Year 3 Universities (includes JMU and RU)	130	112
Four-Year 4 Universities	116	108
Four-Year 5 Colleges and Universities	163	143
Baccalaureate 6 Colleges and Universities	149	155
Two-Year Colleges	111	108

Source: SREB Data Exchange, December 2007

Percent of SREB Median Tuition and Fees by Residence, 2006-07



2.3 State Trends

Among the Commonwealth's fifteen four-year colleges and universities, JMU's in-state tuition ranks 13th highest, required fees ranks 4th, and room and board ranks 6th. Total in-state tuition, required fees, and room and board ranks 7th and JMU's out-of-state total cost ranks 8th.

In-State and Out-of-State Undergraduate Tuition, Required Fees and Room and Board for Virginia's State-Supported Institutions of Higher Education, 2007-08

Rank	In-State Tuition		Out-of-State Tuition		Required Fees		Room and Board		Total In-State		Total Out-of-State	
1	UVA	\$6,821	UVA	\$26,071	VMI	\$4,986	CNU	\$8,500	CWM	\$16,819	UVA	\$35,185
2	VPI	\$6,060	CWM	\$23,407	LU	\$3,720	CWM	\$7,655	VMI	\$16,156	CWM	\$34,589
3	CWM	\$5,637	VMI	\$20,906	CWM	\$3,527	VCU	\$7,567	UVA	\$15,935	VMI	\$32,000
4	VMI	\$5,062	VPI	\$18,538	JMU	\$3,246	UVA	\$7,435	CNU	\$15,550	GMU	\$26,748
5	GMU	\$5,035	GMU	\$17,923	CNU	\$3,004	VSU	\$7,340	LU	\$14,334	VCU	\$26,307
6	UMW	\$4,530	VCU	\$17,069	UVAW	\$2,666	JMU	\$7,108	GMU	\$13,860	VPI	\$24,881
7	VCU	\$4,525	ODU	\$15,262	NSU	\$2,622	GMU	\$7,020	JMU	\$13,774	UVAW	\$24,557
8	LU	\$4,338	UVAW	\$15,149	VSU	\$2,469	NSU	\$6,996	VCU	\$13,763	JMU	\$24,494
9	CNU	\$4,046	UMW	\$15,004	2486	\$2,266	UVAW	\$6,742	ODU	\$13,213	ODU	\$24,433
10	ODU	\$4,042	JMU	\$14,140	RU	\$2,150	ODU	\$6,685	UMW	\$13,100	UMW	\$23,574
11	RU	\$4,026	NSU	\$13,620	UMW	\$1,964	UMW	\$6,606	VSU	\$12,995	NSU	\$23,238
12	UVAW	\$3,485	LU	\$12,658	GMU	\$1,805	RU	\$6,490	UVAW	\$12,893	LU	\$22,654
13	JMU	\$3,420	RU	\$12,360	UVA	\$1,679	LU	\$6,276	RU	\$12,666	CNU	\$22,650
14	VSU	\$3,186	CNU	\$11,146	VCU	\$1,671	VMI	\$6,106	VPI	\$12,503	RU	\$21,000
15	NSU	\$2,700	VSU	\$10,838	VPI	\$1,237	VPI	\$5,106	NSU	\$12,318	VSU	\$20,647

Source: SCHEV Report on 2007-08 Tuition and Fees, Appendices D-1 and D-2, July 2007.

NOTES:

1. 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.
2. Room and board charges are weighted averages for double occupancy rooms.
3. 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.
4. At Virginia Military Institute, all students are required to live on post; therefore, room, board and laundry fees are also required fees.

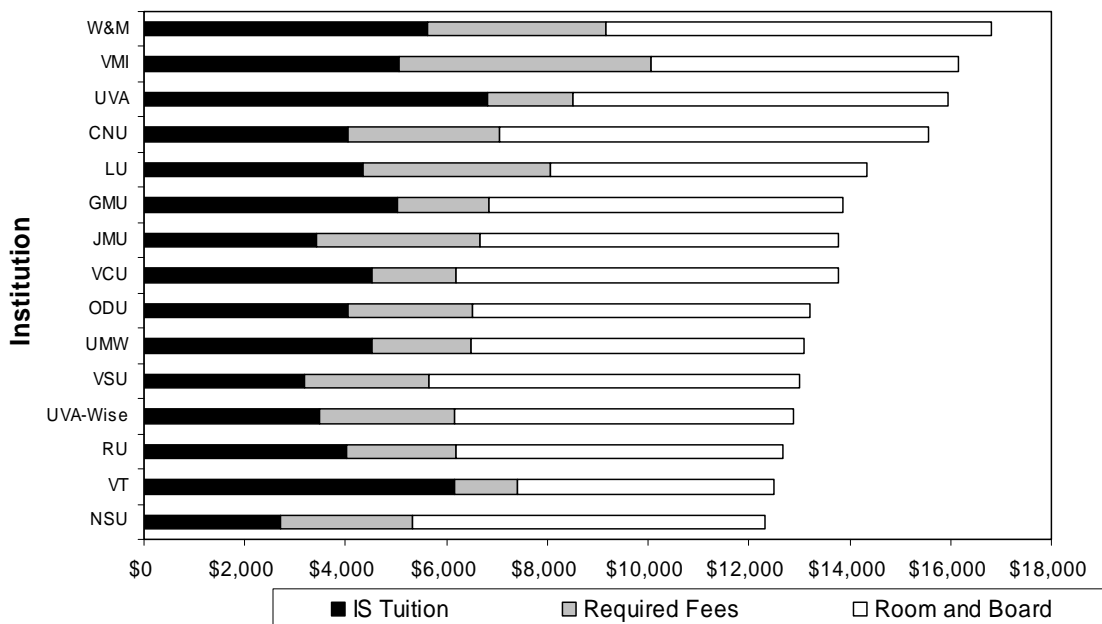
2007-08 Full-Time In-State Undergraduate Student Charges

Institution	Tuition and Mandatory Fees 07-08	Percent Change from 06-07	Mandatory Non-E&G Fees	Percent Increase Over 06-07	Room and Board 07-08	Percent Increase Over 06-07	Total 07-08	Percent Increase Over 06-07
GMU	\$5,035	6.00%	\$1,805	9.00%	\$7,020	4.00%	\$13,860	5.30%
ODU	\$4,042	5.50%	\$2,486	9.70%	\$6,685	7.80%	\$13,213	7.40%
UVA	\$6,821	8.60%	\$1,679	7.40%	\$7,435	7.60%	\$15,935	8.00%
VCU	\$4,525	6.00%	\$1,671	7.90%	\$7,567	4.20%	\$13,763	5.20%
VPI	\$6,160	6.00%	\$1,237	6.60%	\$5,106	7.10%	\$12,503	6.50%
CWM	\$5,637	7.10%	\$3,527	9.40%	\$7,655	6.50%	\$16,819	7.30%
CNU	\$4,046	6.00%	\$3,004	13.70%	\$8,500	4.90%	\$15,550	6.80%
UVA-Wise	\$3,485	5.20%	\$2,666	12.00%	\$6,742	10.40%	\$12,893	9.30%
JMU	\$3,420	5.90%	\$3,246	6.00%	\$7,108	5.20%	\$13,774	5.60%
LU	\$4,338	7.10%	\$3,720	5.10%	\$6,276	-1.10%	\$14,334	2.90%
UMW	\$4,530	6.00%	\$1,964	8.50%	\$6,606	5.80%	\$13,100	6.30%
NSU	\$2,700	4.70%	\$2,622	5.90%	\$6,996	3.60%	\$12,318	4.30%
RU	\$4,026	8.00%	\$2,150	6.50%	\$6,490	3.00%	\$12,666	5.10%
VMI	\$5,062	6.00%	\$4,986	6.20%	\$6,108	3.00%	\$16,156	4.90%
VSU	\$3,186	6.00%	\$2,469	1.50%	\$7,340	6.60%	\$12,995	5.40%
RBC	\$2,514	4.80%	\$130	8.30%	N/A	N/A	\$2,644	4.90%
VCCS	\$2,390	6.00%	\$14	0.00%	NA	N/A	\$2,404	5.90%
4-Year Avg.	\$4,468	6.40%	\$2,615	7.60%	\$6,909	5.20%	\$13,992	6.00%
2-Year Avg.	\$2,452	5.30%	\$72	7.50%	N/A	N/A	\$2,524	5.40%
Avg.-All	\$4,230	6.30%	\$2,316	7.60%	\$6,909	5.20%	\$12,643	6.00%

Source: SCHEV Report on 2007-08 Tuition and Fees, July 2007.

Annual increases in Virginia for the senior institutions for in-state tuition, required fees, and room and board ranged from 2.9 percent at Longwood University to 9.3 percent at UVA-Wise.

VA Public In-State Charges, 2007-08 Combined Tuition/Fees, Room/Board



2007-08 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	\$17,923	6.10%	\$1,805	9.00%	\$7,020	4.00%	\$26,748	5.70%
ODU	\$15,262	6.00%	\$2,486	9.70%	\$6,685	7.80%	\$24,433	6.90%
UVA	\$26,071	6.90%	\$1,679	7.40%	\$7,435	7.60%	\$35,185	7.10%
VCU	\$17,069	6.20%	\$1,671	7.90%	\$7,567	4.20%	\$26,307	5.70%
VT	\$18,538	3.60%	\$1,237	6.60%	\$5,106	7.10%	\$24,881	4.50%
W&M	\$23,407	7.30%	\$3,527	9.40%	\$7,655	6.50%	\$34,589	7.30%
CNU	\$11,146	2.40%	\$3,004	13.70%	\$8,500	4.90%	\$22,650	4.70%
UVA-Wise	\$15,149	5.60%	\$2,666	12.00%	\$6,742	10.40%	\$24,557	7.50%
JMU	\$14,140	7.30%	\$3,246	6.00%	\$7,108	5.20%	\$24,494	6.50%
LU	\$12,658	8.00%	\$3,720	5.10%	\$6,276	-1.10%	\$22,654	4.90%
UMW	\$15,004	6.00%	\$1,964	8.50%	\$6,606	5.80%	\$23,574	6.20%
NSU	\$13,620	5.60%	\$2,622	5.90%	\$6,996	3.60%	\$23,238	5.00%
RU	\$12,360	7.70%	\$2,150	6.50%	\$6,490	3.00%	\$21,000	6.10%
VMI	\$20,906	6.70%	\$4,986	6.20%	\$6,108	3.00%	\$32,000	5.90%
VSU	\$10,838	7.50%	\$2,469	1.50%	\$7,340	6.60%	\$20,647	6.40%
RBC	\$10,672	5.00%	\$130	8.30%	N/A	N/A	\$10,802	5.00%
VCCS(2)	\$7,645	6.10%	\$14	0.00%	N/A	N/A	\$7,659	6.10%
Avg. Senior Institutions	\$16,273	6.20%	\$2,615	7.60%	\$6,909	5.20%	\$25,797	6.10%
Avg. 2yr (RBC&VCCS)	\$9,159	5.40%	\$72	7.50%	N/A	N/A	\$9,231	5.40%
Avg. All Institutions	\$15,436	6.20%	\$2,316	7.60%	\$6,909	5.20%	\$23,848	6.10%

Source: SCHEV Report on 2006-07 Tuition and Fees, Appendix D-2, July 2007.

Annual percent changes in Virginia for out-of-state tuition and required fees from 2006-07 to 2007-08 for the senior institutions ranged from 2.4 percent at Christopher Newport University to 8.0 percent at Longwood University. Annual increases in Virginia for out-of-state tuition, required fees, and room and board for the senior institutions ranged from 4.7 percent for Christopher Newport University to 7.3 percent at the College of William and Mary.

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.

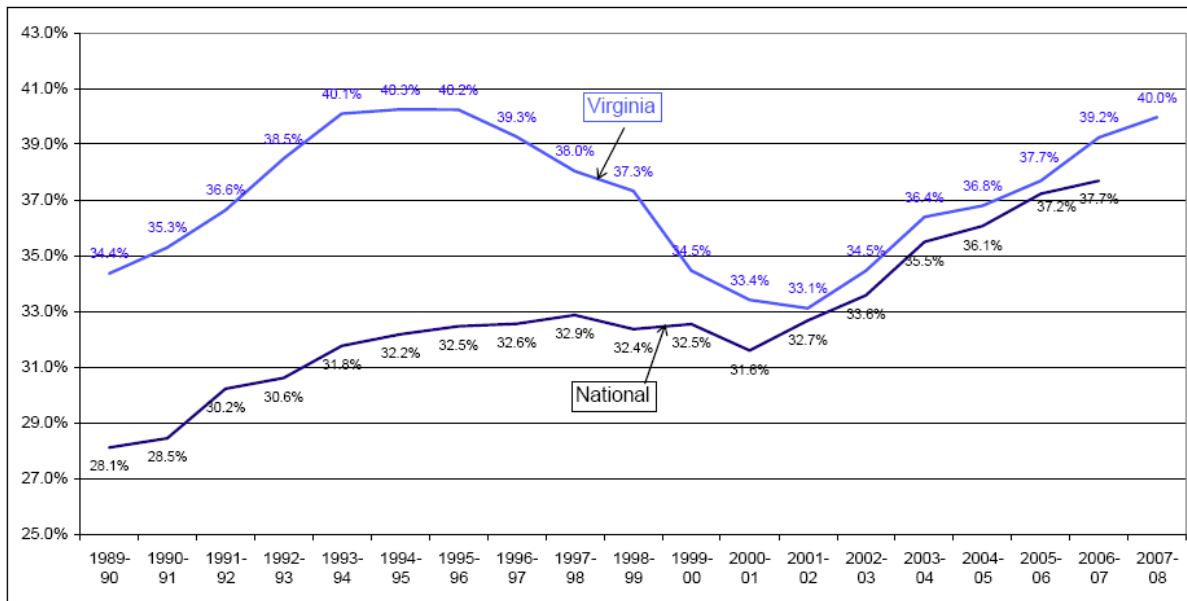
According to SCHEV's annual tuition and fee report,

“For students and their parents, the cost of a college education is determined by the total cost they will have to pay relative to the level of resources available to them. One commonly cited indicator of college affordability is the relationship between total charges – tuition, all mandatory fees, room and board, and other ancillary charges – as a percentage of per capita disposable income. According to the Bureau of Economic Analysis at the U.S. Department of Commerce, per capita disposable income is the income that is available to persons for spending and saving. It is calculated as personal income less the sum of personal income tax payments and personal non-tax payments (donations, fees, fines, and forfeitures) to government.”

Virginia's average in-state undergraduate charges as a percentage of per capita disposable income have exceeded the national average since SCHEV began tracking this measure. In

1990, Virginia's per capita disposable income was about 6 percent higher than the national average. In contrast, the average 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 28.1 percent of per capita disposable income, while the rate in Virginia was 34.4 percent. Since reaching the low point (the most affordable) of 33.1 percent in 2001-02 after several years of state mandated controls, this measure of affordability has crept steadily higher and is now almost back to the peak (the least affordable) of 40.3 percent which was reached in 1994-95. Per capita disposable income in Virginia is projected to grow by just over 4 percent next year while the average total cost at Virginia's public four-year institutions will rise by 6.8 percent. As a result, the average undergraduate charge as a percentage of per capita disposable income is estimated to increase from 39.2 percent in FY07 to 40.0 percent in FY08."

Average Public 4-Year Total Resident 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.

2.4 JMU Tuition and Fee 10-Year History

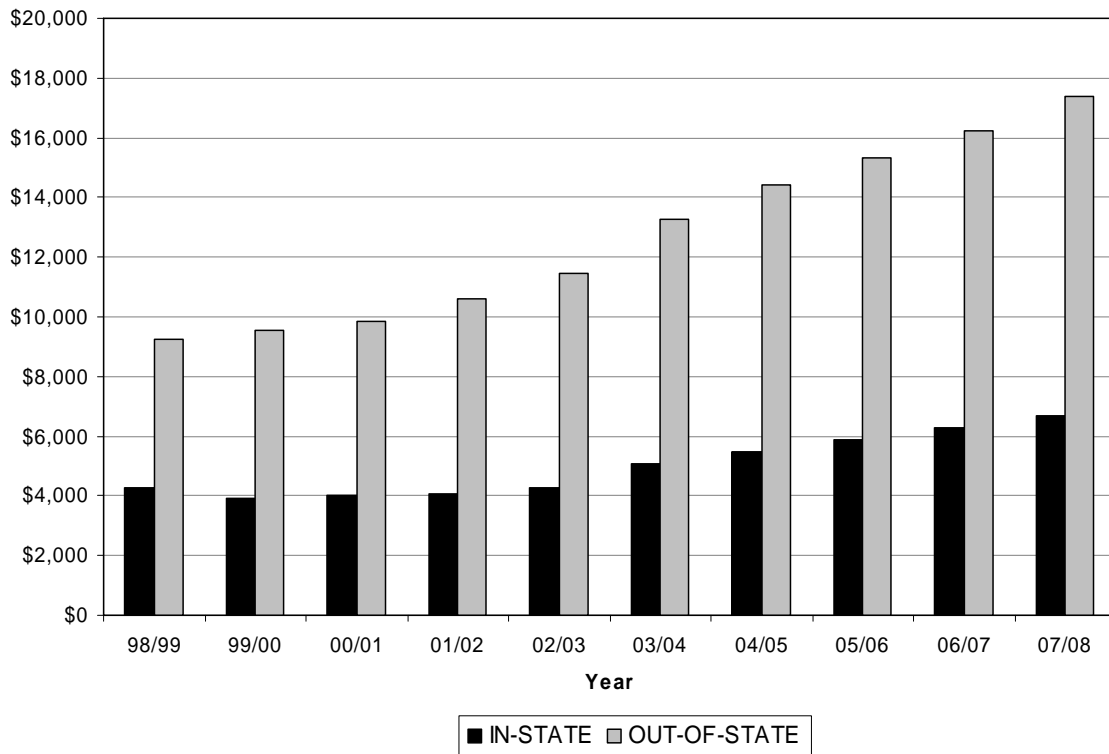
JMU Tuition, Fee, and Room and Board Charges, 1998-99 to 2007-08

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
IN-STATE										
Tuition & Fees	\$1,982	\$1,586	\$1,586	\$1,586	\$1,728	\$2,420	\$2,752	\$2,998	\$3,228	\$3,420
Comp. Fee	\$2,274	\$2,340	\$2,414	\$2,508	\$2,560	\$2,638	\$2,724	\$2,888	\$3,062	\$3,246
Total Commuter	\$4,256	\$3,926	\$4,000	\$4,094	\$4,288	\$5,058	\$5,476	\$5,886	\$6,290	\$6,666
Room & Board ¹	\$5,264	\$5,392	\$5,504	\$5,678	\$5,794	\$5,966	\$6,116	\$6,372	\$6,756	\$7,108
Total On-Campus	\$9,520	\$9,318	\$9,504	\$9,772	\$10,082	\$11,024	\$11,592	\$12,258	\$13,046	\$13,774
OUT-OF-STATE										
Tuition & Fees	\$6,982	\$7,192	\$7,436	\$8,098	\$8,912	\$10,642	\$11,696	\$12,434	\$13,174	\$14,140
Comp. Fee	\$2,274	\$2,340	\$2,414	\$2,508	\$2,560	\$2,638	\$2,724	\$2,888	\$3,062	\$3,246
Total Commuter	\$9,256	\$9,532	\$9,850	\$10,606	\$11,472	\$13,280	\$14,420	\$15,322	\$16,236	\$17,386
Room & Board*	\$5,264	\$5,392	\$5,504	\$5,678	\$5,794	\$5,966	\$6,116	\$6,372	\$6,756	\$7,108
Total On-Campus	\$14,520	\$14,924	\$15,354	\$16,284	\$17,266	\$19,246	\$20,536	\$21,694	\$22,992	\$24,494

Source: JMU Budget Office

¹ Based on 19-meal plan

JMU Tuition and Fee History 1998-99 to 2007-08



3.0 STATE APPROPRIATIONS

3.1 National Trends

Nationally, the majority of states have experienced inconsistent revenues – combined with significant pressures to fund a variety of critical initiatives like health care and corrections. One result of this difficult combination of factors has been a decline in the state appropriations going to higher education. The FY 2008 appropriations per \$1,000 of personal income (a measure of the state’s ability to pay) were one percent below FY 2003, seven percent below FY 1998, and 24 percent below FY 1988. Thirty-one percent of the states showed one-year percent increases. Virginia’s percentage was tied for second largest 20-year percentage decrease with six other states. The states with the greatest 20-year declines were Massachusetts (-58 %), Colorado (-55 %), Rhode Island (-42%), South Carolina (-40%), Montana (-40%) and Vermont (-40%). Since 1988 Virginia’s appropriation declined -36%, which is 12% higher than the national average of -24%. In FY 2008 Virginia ranked 36th in appropriations per \$1,000 at \$6.19 (\$56.46 in 2007), \$0.90 below the national average of \$7.09. In 1988 Virginia ranked 26th at \$9.65, \$0.34 above the national average of \$9.31.

Changes in Appropriations of State Tax Funds for Operating Expenses of Higher Education per \$1,000 of Personal Income FY 1987 to FY 2008



Sources: Postsecondary Education OPPORTUNITY and GRAPEVINE, February 2008

The table below shows JMU's total E&G funding (tuition, E&G fees and general funds) per FTE student in relation to its national peer group for 2005-06 – the most recent year for which the data are available. JMU is 10th out of the 16 public universities. For 2005-06, JMU would have required an additional \$17.7 million in E&G operating funds to reach the median of its national peer group or \$21.1 million to reach the 60th percentile.

TOTAL FUNDING PER FTE STUDENT

JMU National Peer Group, 2005-06 Data

Institution Name	2005-06 FTE Students	Tuition and Fees	State Appropriations	Total Tuition & Fees Plus State Appropriations	Total Revenue per FTES
Loyola Marymount University	8,147	175,169,655	0	175,169,655	21,501
Fairfield University	4,666	93,021,000	0	93,021,000	19,936
Boston College	14,328	282,915,033	0	282,915,033	19,746
Hofstra University	12,207	223,402,684	1,119,141	224,521,825	18,393
Miami University-Oxford *	17,729	219,068,233	76,863,620	295,931,853	16,692
Texas Christian University	8,098	129,011,000	0	129,011,000	15,931
St. John's University-New York	16,767	264,277,703	1,513,176	265,790,879	15,852
Marquette University	10,344	163,208,000	0	163,208,000	15,778
Duquesne University	9,589	145,055,000	0	145,055,000	15,127
Rowan University *	8,494	60,798,399	62,176,537	122,974,936	14,478
Gonzaga University	6,186	88,990,161	0	88,990,161	14,386
Ohio University-Main Campus *	21,384	178,170,375	113,759,340	291,929,715	13,652
Baylor University	14,771	200,449,000	0	200,449,000	13,570
The University of Alabama *	21,013	135,420,343	145,930,652	281,350,995	13,389
University of North Carolina- Wilmington *	10,975	55,290,336	77,340,644	132,630,980	12,085
University of Northern Iowa *	11,714	52,504,556	83,585,131	136,089,687	11,618
Truman State University *	5,704	24,216,235	39,545,110	63,761,345	11,178
Appalachian State University *	14,276	56,923,055	101,786,905	158,709,960	11,117
College of Charleston *	10,317	76,836,225	30,328,462	107,164,687	10,387
James Madison University *	16,737	95,374,085	73,440,683	168,814,768	10,086
Western Washington University *	13,507	72,224,665	62,901,042	135,125,707	10,004
Bloomsburg University of Pennsylvania *	8,313	47,171,890	35,419,417	82,591,307	9,935
Illinois State University *	18,617	95,396,990	88,557,800	183,954,790	9,881
Eastern Illinois University *	11,234	56,480,594	47,609,499	104,090,093	9,266
University of Wisconsin-Eau Claire *	9,620	43,183,391	42,614,031	85,797,422	8,919
University of Wisconsin-La Crosse *	8,934	38,984,212	34,319,892	73,304,104	8,205
			JMU included	Median	\$13,480
* Public Institution			JMU included	60th Percentile	\$14,386

Notes

1. All data are taken from the 2004-05 IPEDS Finance (F1) and EF forms.
2. FTE students were calculated from Fall 2004 headcount data using the standard federal methodology.

3.2 Regional Trends

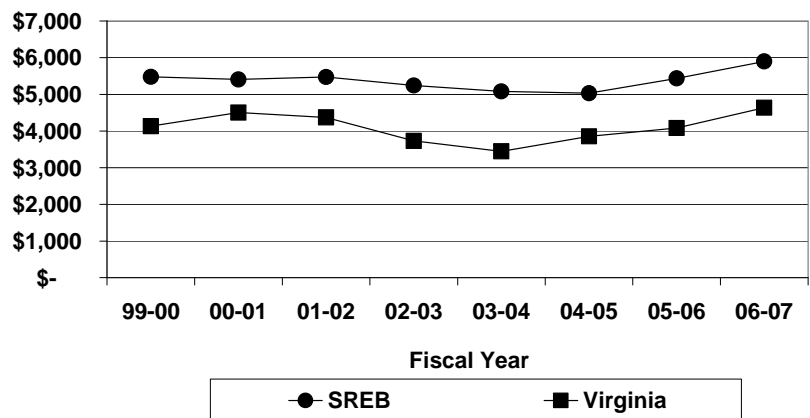
During the period of 1982-83 through 2006-07, Virginia ranked near the top in tuition and required fees among Four-Year 3 institutions in the Southern Region Education Board (SREB) states.

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 2006-07 Virginia ranked 11th out of 14 states.

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 ground between 2002-03 and 2006-07. Since 1999-2000, the funding per full-time equivalent (FTE) student at the Virginia Four-Year 3 institutions increased 7.7 percent while the SREB regional average increased 12.2 percent.

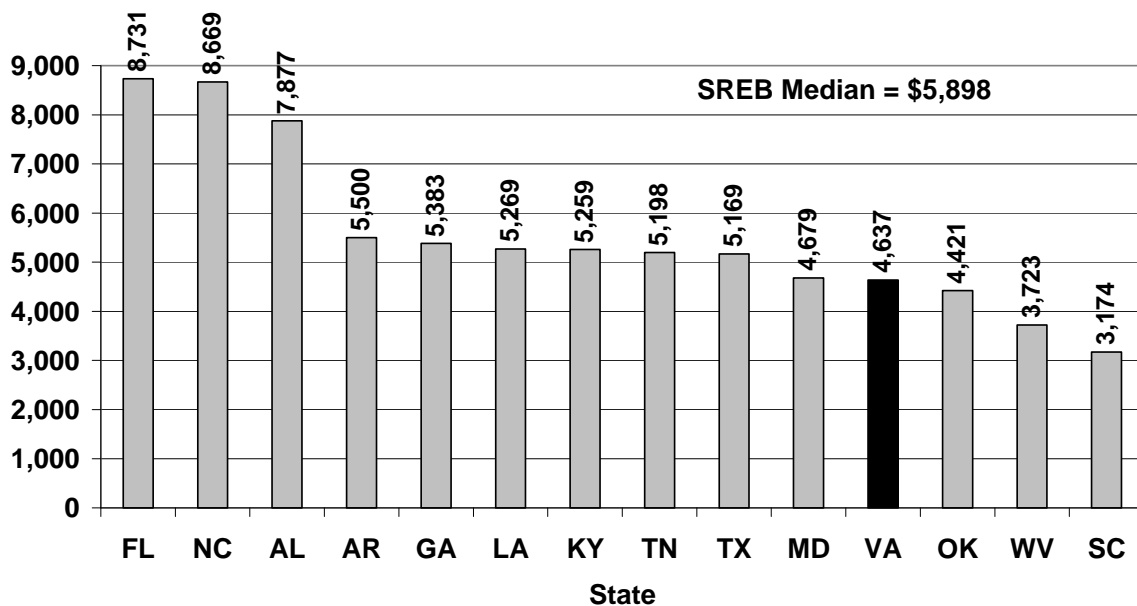
As shown below, per FTE student funding in Virginia was \$1,261 below the regional median of \$5,898 for comparable institutions in 2006-07.

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



Source: SREB Data Exchange

**2006-07 General Fund Appropriation
Per FTES, Four-Year 3 Institutions**

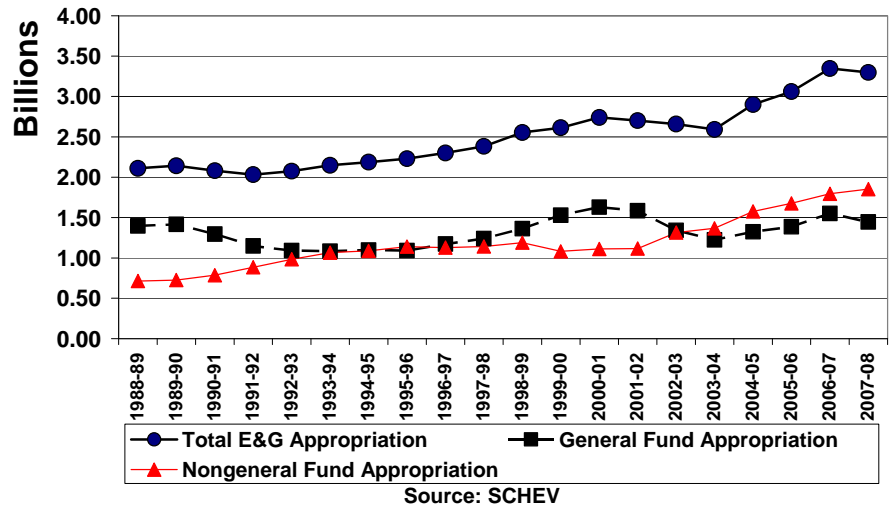


Source: SREB Data Exchange, January 2008

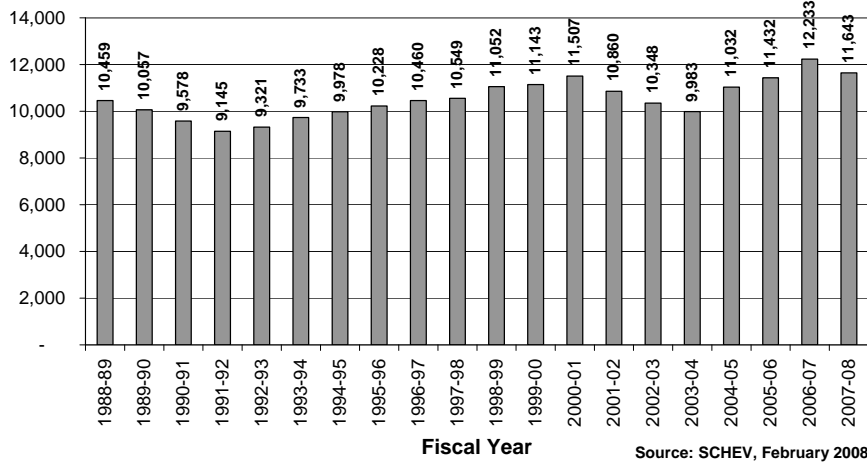
3.3 State Trends

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 budget problems have resulted in the non-general funds distribution exceeding general funds appropriations.

Appropriation History of Education and General Programs in Virginia (In Constant FY08 Dollars)



History of Inflation Adjusted Total E&G Appropriations Per Total FTE Student Adjusted to FY08 Dollars

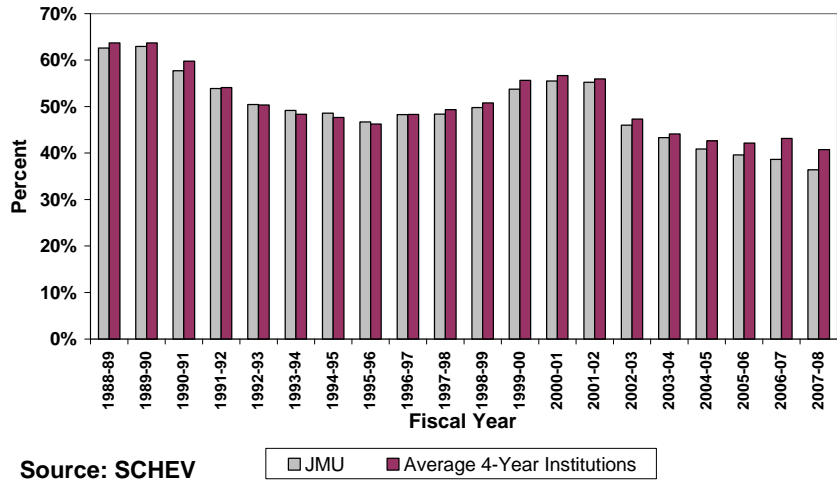


According to the data provided by SCHEV, in constant FY 08 dollars, between FY89 and FY08 general fund appropriations decreased by 26 percent, non-general fund appropriations increased by 85 percent and total E&G appropriations increased by 11 percent. This means that the Virginia public institutions have more resources for operations now than they had 19 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 2007-08, total funding is approximately 11 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 63 percent of the total educational and general (E&G) appropriation in 1988-89 to 47 percent in 1995-96. The percentage increased to 55 in 2001-02, but dropped to 36 percent in 2007-08. 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.

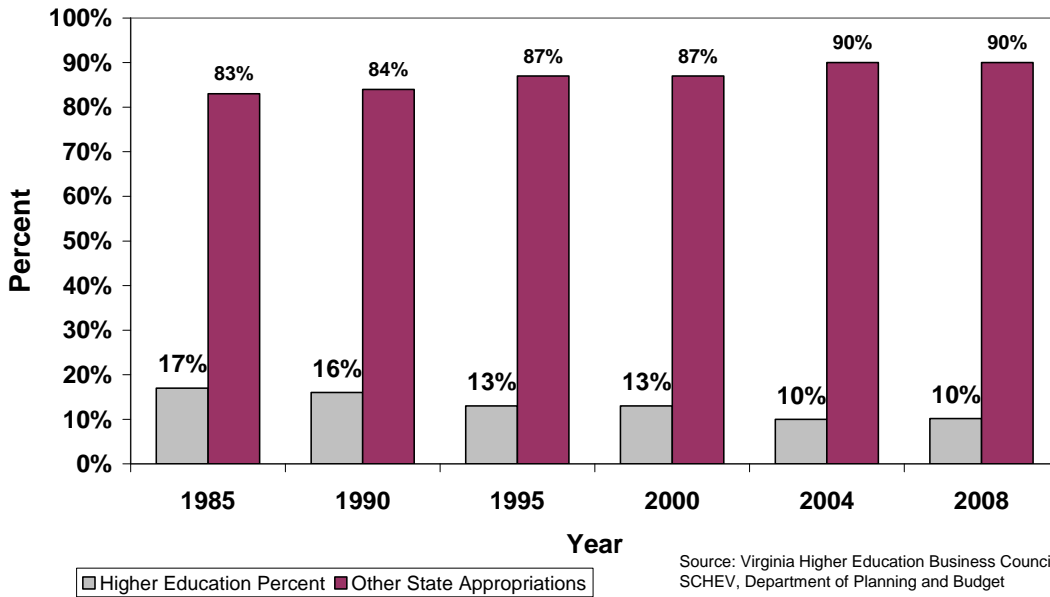
**General Fund As A Percent Of Total E&G
JMU And All 4-Year Institutions
1988-89 To 2007-08**



Source: SCHEV

Legend: JMU (light gray), Average 4-Year Institutions (maroon)

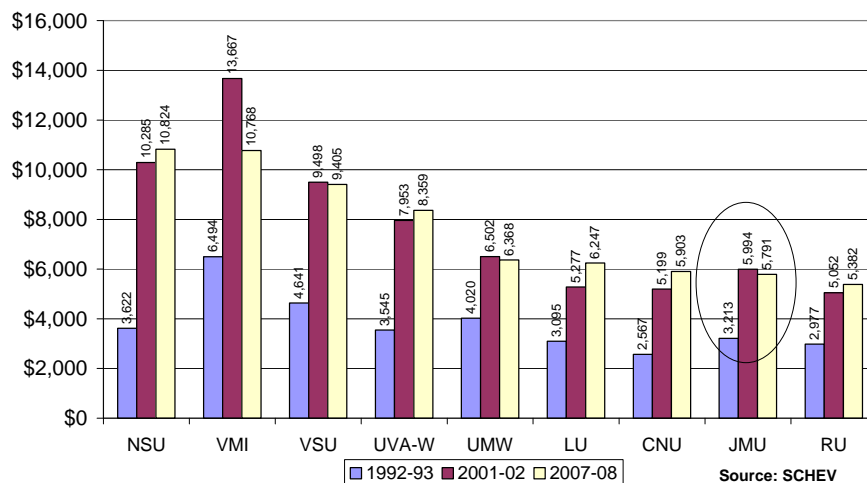
**Virginia Higher Education Appropriation
Percent of Total General Fund Appropriations**



Source: Virginia Higher Education Business Council, SCHEV, Department of Planning and Budget

Higher education's share of Virginia's total general fund appropriation decreased from 17 percent in the 1985 to 10 percent in 2008. 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.

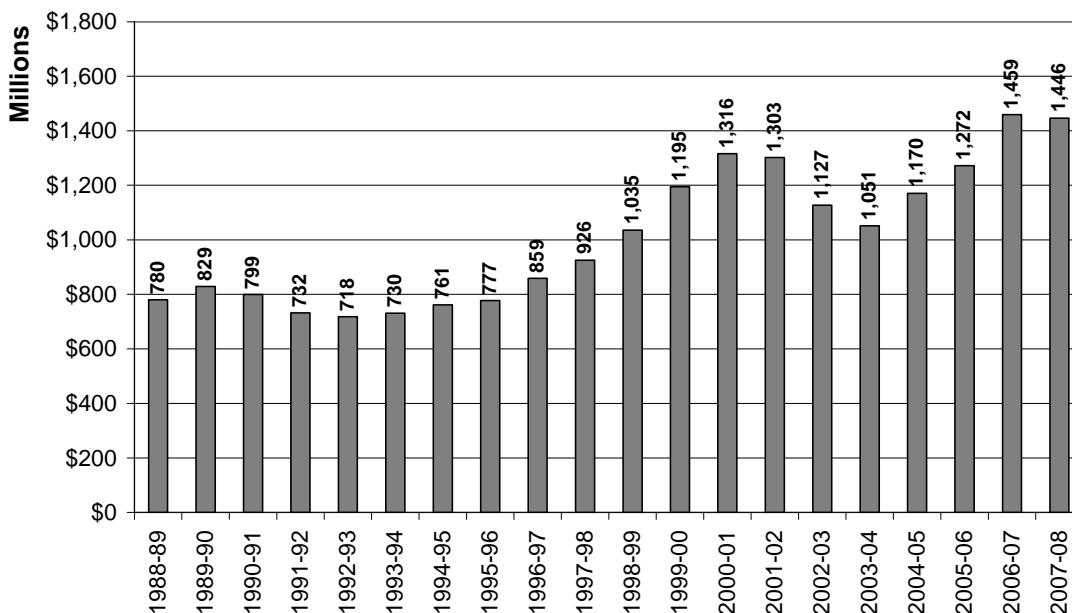
**General Fund Appropriations
Per In-State FTE Student,
1992-93, 2001-02 And 2007-08**



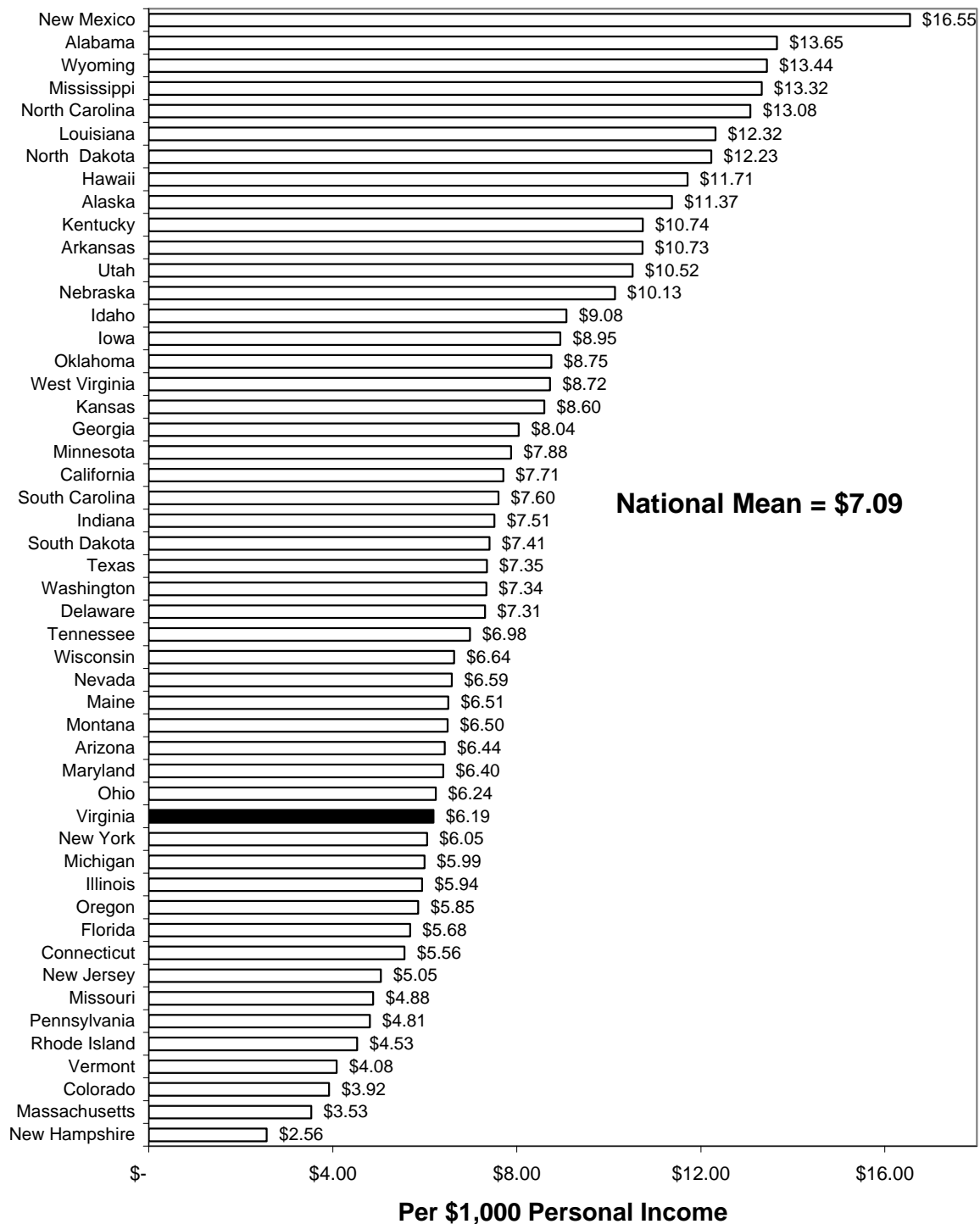
JMU's 2007-08 general fund appropriation per in-state FTE student was \$1,743 below the average of the four-year Virginia public institutions. Its 2007-08 appropriation was \$460 above 2000-01. Were JMU to be funded at the average for all four-year institutions in 2007-08, its general fund appropriation would increase by \$9.1 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**



Appropriations of State Tax Funds for Operating Expenses of Higher Education per \$1,000 of Personal Income FY 2008



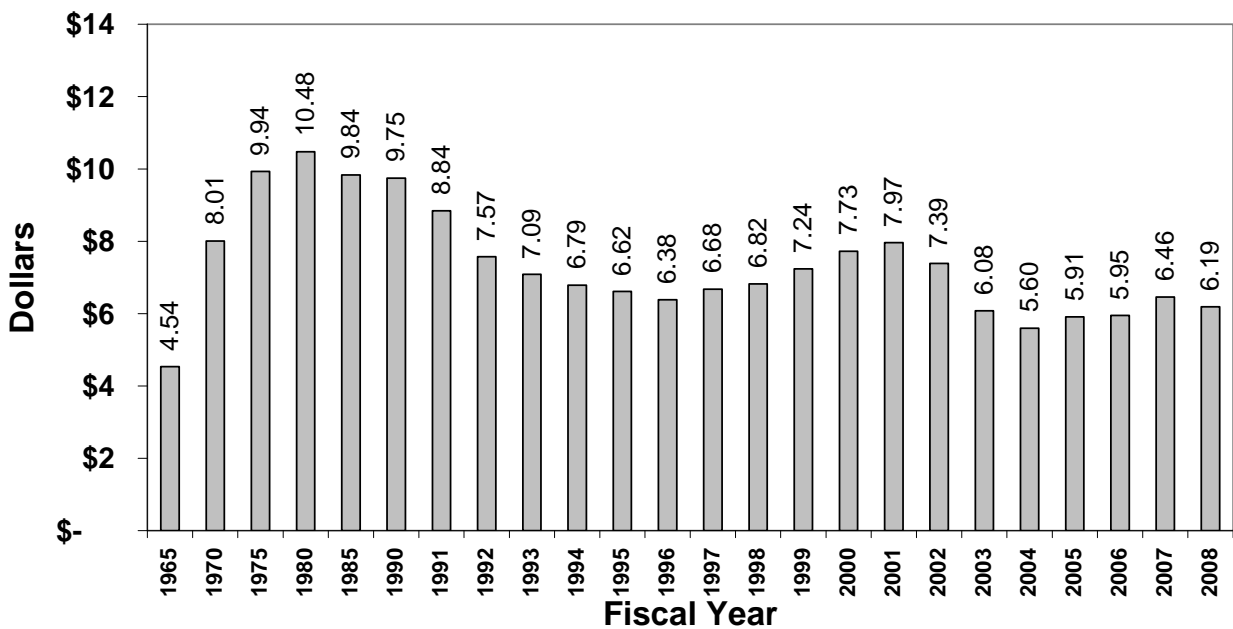
Source: Postsecondary Opportunity
February 2008

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 \$6.19 to the operation of its public higher education system for each \$1,000 of personal income—or \$0.90 below the national mean of \$7.09. This level places the Commonwealth in 36th place (down from 30th last year) out of the 50 states.

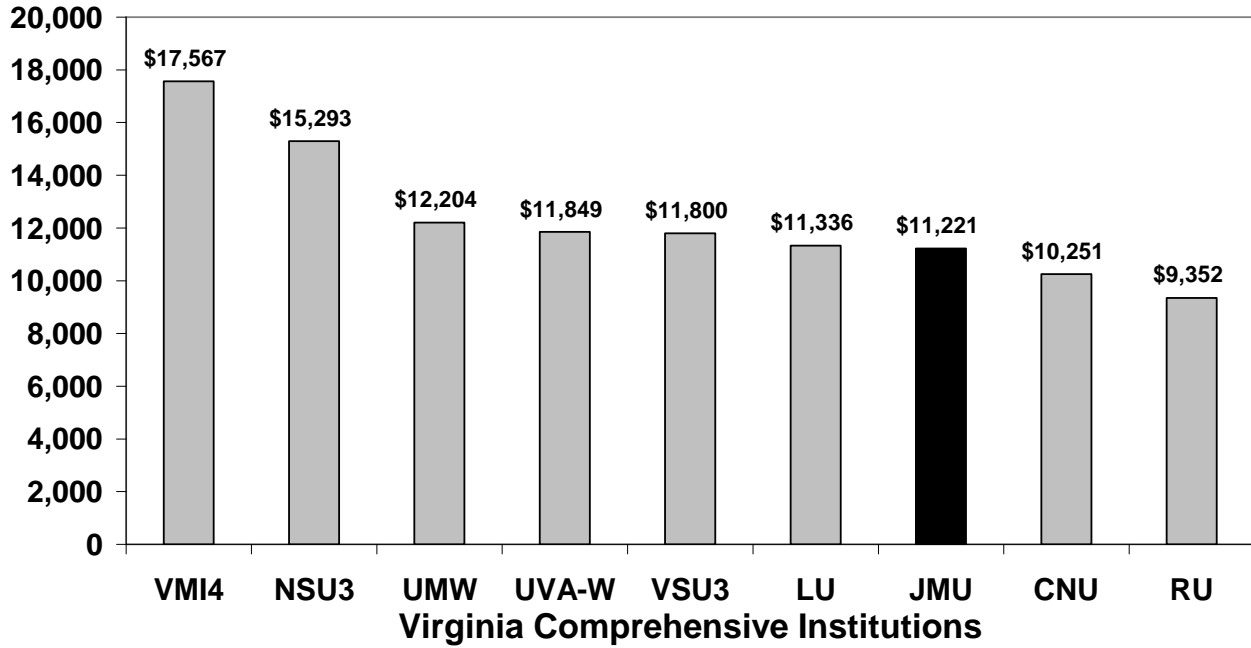
The graph presented below demonstrates the changes in the Commonwealth’s higher education effort since 1965. From a high of appropriating \$10.48 per \$1,000 in income in 1980, Virginia dropped to \$6.19 in FY08. This represents a 41 percent decline since 1980.

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



Source: Postsecondary OPPORTUNITY, February 2008

Total E&G Appropriation Per FTE Student 2007-08



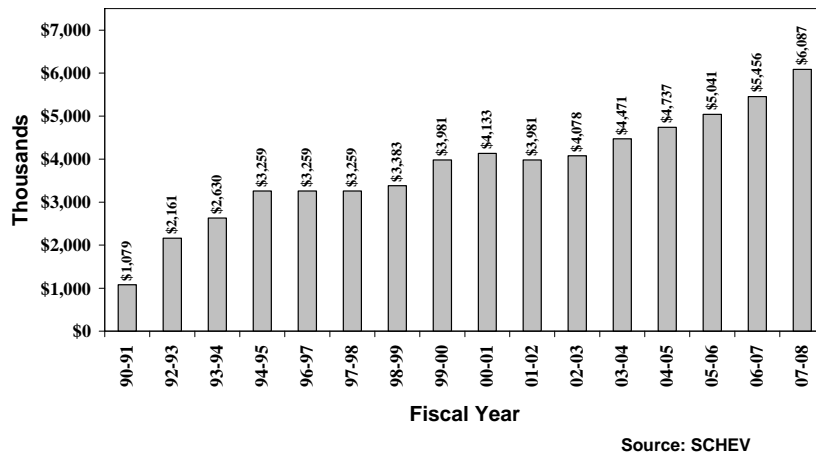
Source: SCHEV

3 Includes OCR Funding

For 2007-08 JMU's total E&G appropriation per student was \$11,221 (\$10,955 in 2006-07). It was ranked seventh out of the nine comprehensive institutions.

3.4 Financial Aid Appropriations

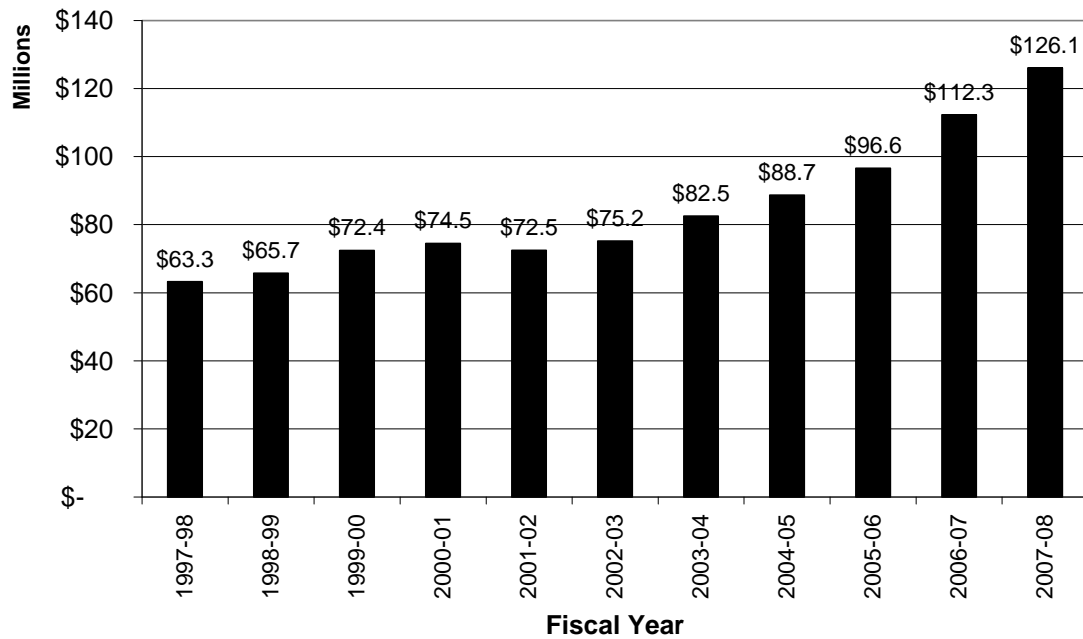
**James Madison University
State Aid Appropriations**



The Virginia General Assembly expressed concern 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 offset partially the increases in tuition and fees, the Assembly increased financial aid appropriations for public institutions. Between 2000-01 and 2007-08, the financial aid appropriations for JMU increased by 47 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. Substantial increases occurred in the 2006-08 biennium.

Virginia State General Fund Student Aid Appropriations



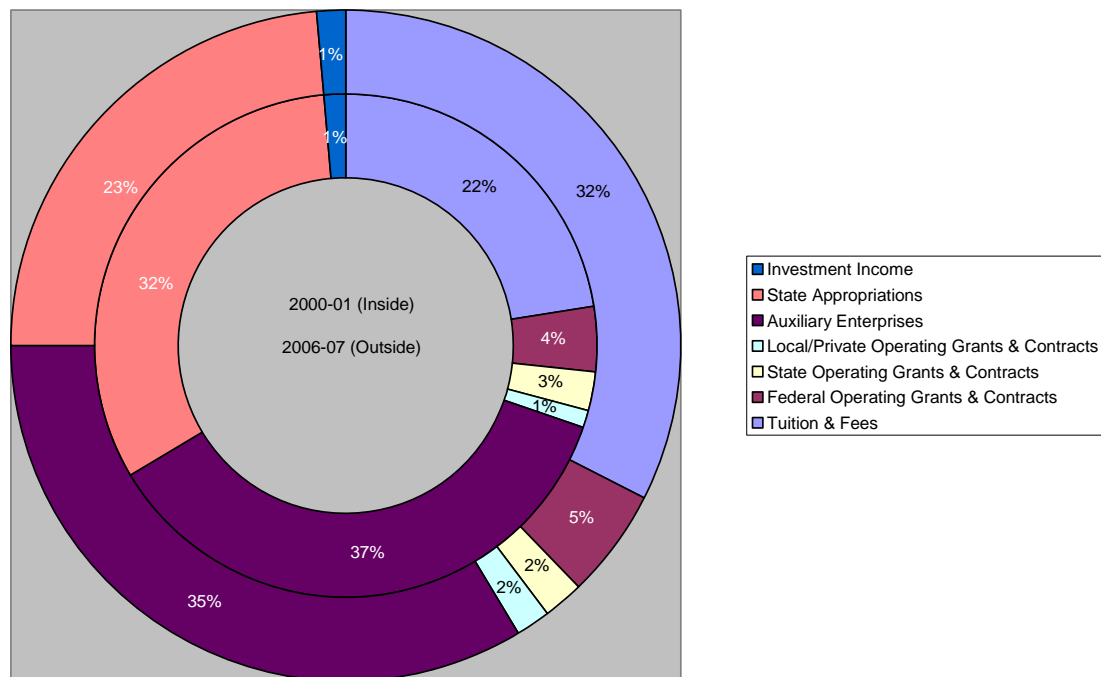
3.5 JMU Total Operating Revenues

General Fund appropriations, excluding Capital Appropriations and Grants, Other Operating Revenues, and Gifts, provided 32 percent of all JMU sources of revenue in 2000-01. During 2006-07, the same source provided 23 percent of all revenue. Correspondingly, E&G tuition and fees have risen from 22 percent to 32 percent over the same period.

Fiscal Year Current Fund Revenues, 2000-01, 2003-04, 2006-07

Revenues	2000-01	2003-04	2006-07
Tuition & Fees	\$ 48,529,185	\$ 73,842,646	\$ 104,849,675
Federal Operating Grants & Contracts	9,096,016	15,007,987	16,749,065
State Operating Grants & Contracts	5,641,370	7,770,200	6,872,375
Local/Private Operating Grants & Contracts	2,292,633	3,388,905	4,940,994
Auxiliary Enterprises	78,002,577	87,599,638	109,106,915
Other Operating Revenues	740,399	762,289	1,007,192
State Appropriations	69,793,028	57,597,656	75,806,060
Gifts	585,589	533,086	1,138,200
Investment Income	2,818,235	1,183,162	4,483,134
Capital Appropriations	3,663,533	584,593	48,950,077
Capital Grants & Gifts	1,743,402	18,456,330	1,318,743
Total Revenues	222,905,967	270,941,606	\$375,222,430

Total Operating Revenues, FY2001 and FY2007



3.6 JMU Facilities and Capital Outlay

JMU has grown significantly in the last two decades, and it has been necessary to increase the size of the physical plant to support instruction and the needs of students for housing, dining, recreation and student activities.

The table below displays the total assignable square feet reported annually to SCHEV since FY1997. E&G Total ASF has increased at a higher rate than Regular Session FTE students. In the next few years E&G space devoted to instruction and academic support will increase significantly with the addition of the renovated Miller Hall, the new East Campus Library, and the Center for the Arts. Since FY1997 total E&G ASF per FTE student increased from 66.64 to 72.44 (8%).

Assignable Square Feet by Function, FY 1997 to 2008

Fiscal Year	Instruction & Academic Support, Including Libraries	Research & Public Service	Student Services & Institutional Support	Operation & Maintenance of Plant	E&G Total	Auxiliary Enterprise	Total	Regular Session FTES	E&G ASF Per FTES
1997	549,897	34,428	109,218	45,333	738,876	1,296,935	2,035,811	11,087	66.64
1998	596,552	37,971	121,401	72,265	828,189	1,343,324	2,171,513	12,119	68.34
1999	601,783	44,093	134,948	66,268	847,092	1,355,332	2,202,424	12,877	65.78
2000	618,698	50,305	152,297	67,644	888,944	1,363,519	2,252,463	13,539	65.66
2001	694,027	54,590	170,854	67,244	986,715	1,353,548	2,340,263	13,697	72.04
2002	717,442	58,568	164,489	69,631	1,010,130	1,352,102	2,362,232	13,794	73.23
2003	732,376	59,455	168,726	69,461	1,030,018	1,426,089	2,456,107	14,094	73.08
2004	710,403	80,676	149,770	71,004	1,011,853	1,450,202	2,462,055	14,457	69.99
2005	716,255	79,190	152,921	70,945	1,019,311	1,418,224	2,437,535	14,732	69.19
2006	745,298	80,722	175,166	88,213	1,089,399	1,514,332	2,603,731	14,857	73.33
2007	784,994	91,639	181,135	89,464	1,147,232	1,559,214	2,706,446	15,869	72.29
2008	805,149	93,944	194,604	91,250	1,184,947	1,545,413	2,730,360	*16,357	72.44
Change	255,252	59,516	85,386	45,917	446,071	248,478	694,549	5,270	5.80
Percent Change	32%	63%	44%	50%	38%	16%	25%	32%	8%

*Estimated

Appropriations for operating and Capital expenses have also increased significantly since the early 1970s. The table below displays the biennial appropriations. Nearly \$1.5 billion has been appropriated for JMU in the last 18 biennia.

Biannual Operating Expenses and Capital Outlay Appropriations for JMU

Year	Operating	Capital
1972-74	\$10,526,000	\$3,740,780
1974-76	14,153,755	1,217,200
1976-78	20,241,600	145,620
1978-80 ¹	26,542,375	2,932,325
1980-82	33,687,955	2,583,850
1982-84	37,899,145	1,523,280
1984-86	43,156,920	8,210,600
1986-88	54,203,641	2,184,990
1988-90	65,086,881	12,744,995
1990-92 ²	64,314,591	1,656,000
1992-94 ³	57,351,203	34,310,787
1994-96	70,424,607	4,669,392
1996-98	83,908,588	1,239,505
1998-00	115,585,470	3,399,927
2000-02	138,638,018	3,206,668
2002-04 ⁴	128,625,934	124,169,100
2004-06	129,713,843	0
2006-08	157,101,378	31,497,832
Total	\$1,251,161,904	\$239,432,851

¹In 1978-80, \$2,900,500 was authorized through a general obligation bond to be repaid by the General Fund.

²For 1990-92, the operating expenses appropriation is as contained in the revised 1991-92 Appropriation Act.

³In 1992-94, \$34,260,787 was authorized through a general obligation bond to be repaid by the General Fund.

⁴In 2002-04, \$99,919,900 was authorized through a general obligation bond to be repaid by the General Fund.

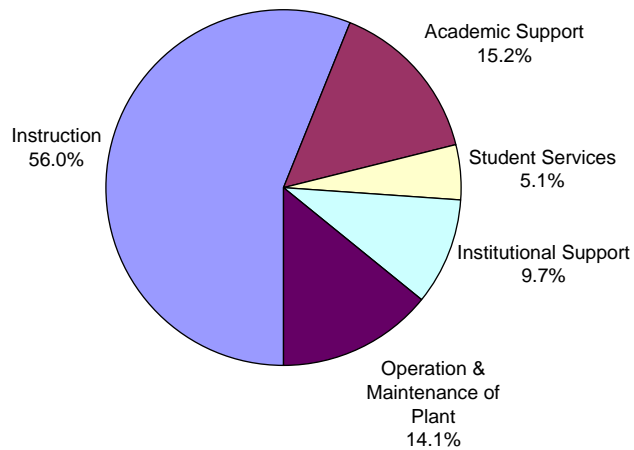
4.0 EXPENDITURES

4.1 Total Operating Expenditures

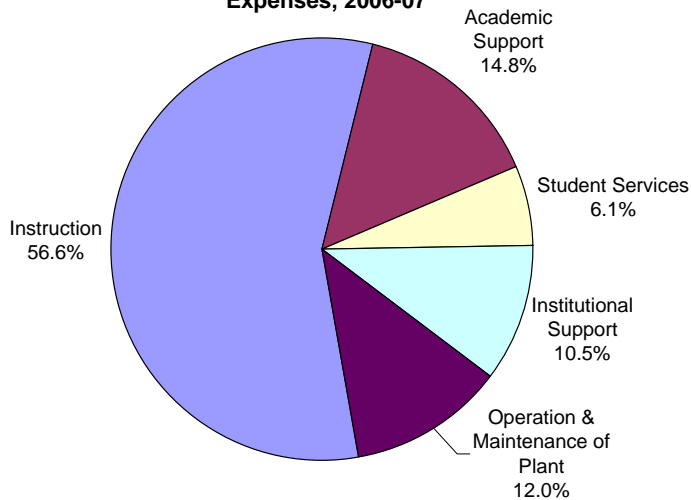
As demonstrated by the charts to the right and below, financial resources remain highly concentrated on the university's core business — instruction.

Instructional functions detailed in the charts as instruction and academic support represented 71.2 percent of JMU's 2000-01 budget. In 2006-07 the percentage is 71.4 percent. This demonstrates JMU's commitment to instruction despite significant changes in support from the Commonwealth.

Distribution of E&G Operating Expenses, 2000-01



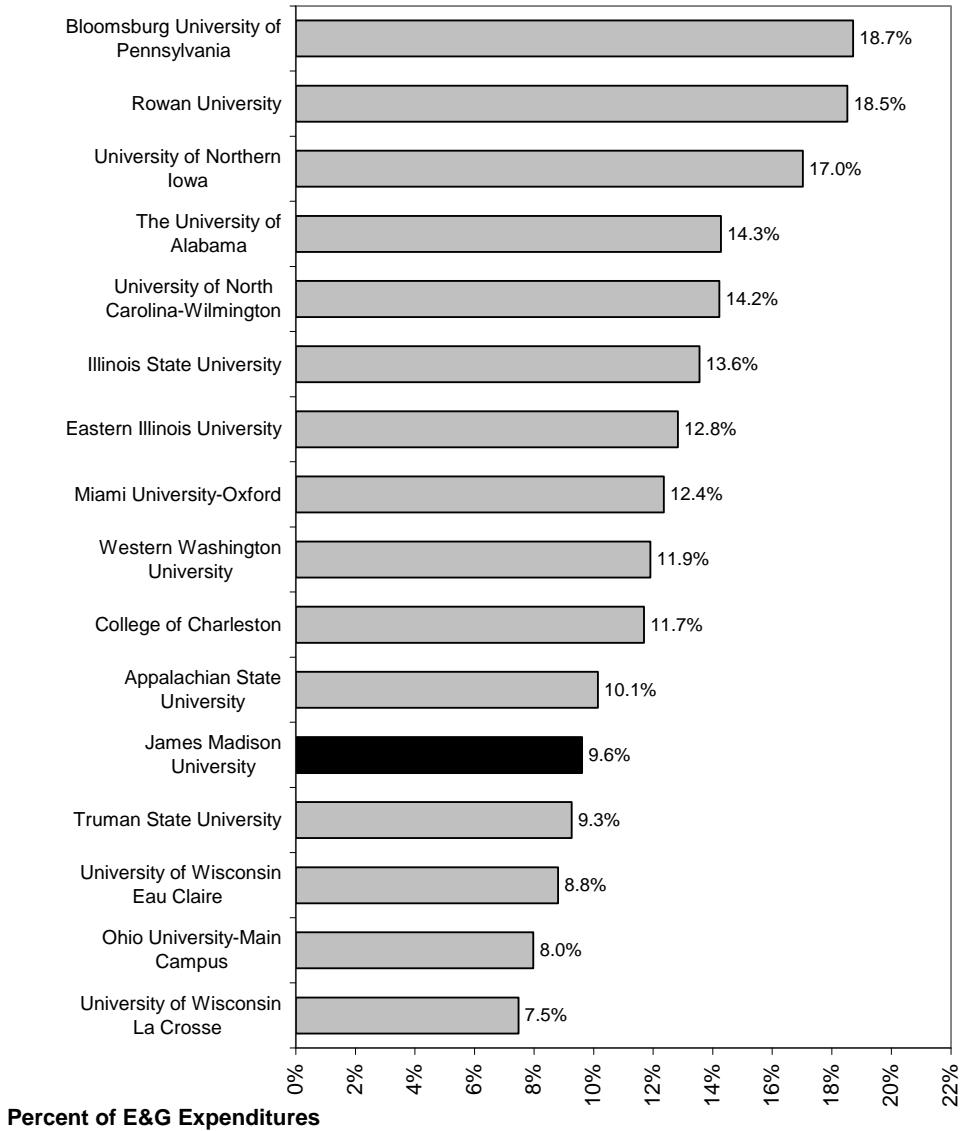
Distribution of E&G Operating Expenses, 2006-07



The total percent of the budget spent on non-instructional administrative functions has not changed since 2000-01. However, there were shifts away from operation and maintenance of the physical plant and toward student services and institutional support. The major causes of these shifts are technology-related costs for software, hardware and maintenance, expanded university relations and development activities, and additional student services required for a larger student body.

When JMU is compared to the public institutions in its national peer group (approved by State Council of Higher Education), the 2005-06 data indicate that JMU is the highest institution in support of instruction (see chart on page 33). As indicated in the chart on the next page, JMU spends a smaller percent on institutional support than all but four 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 impasses of a few years ago and the current budget challenges the University purposely preserves its instructional budgets at the expense of institutional support.

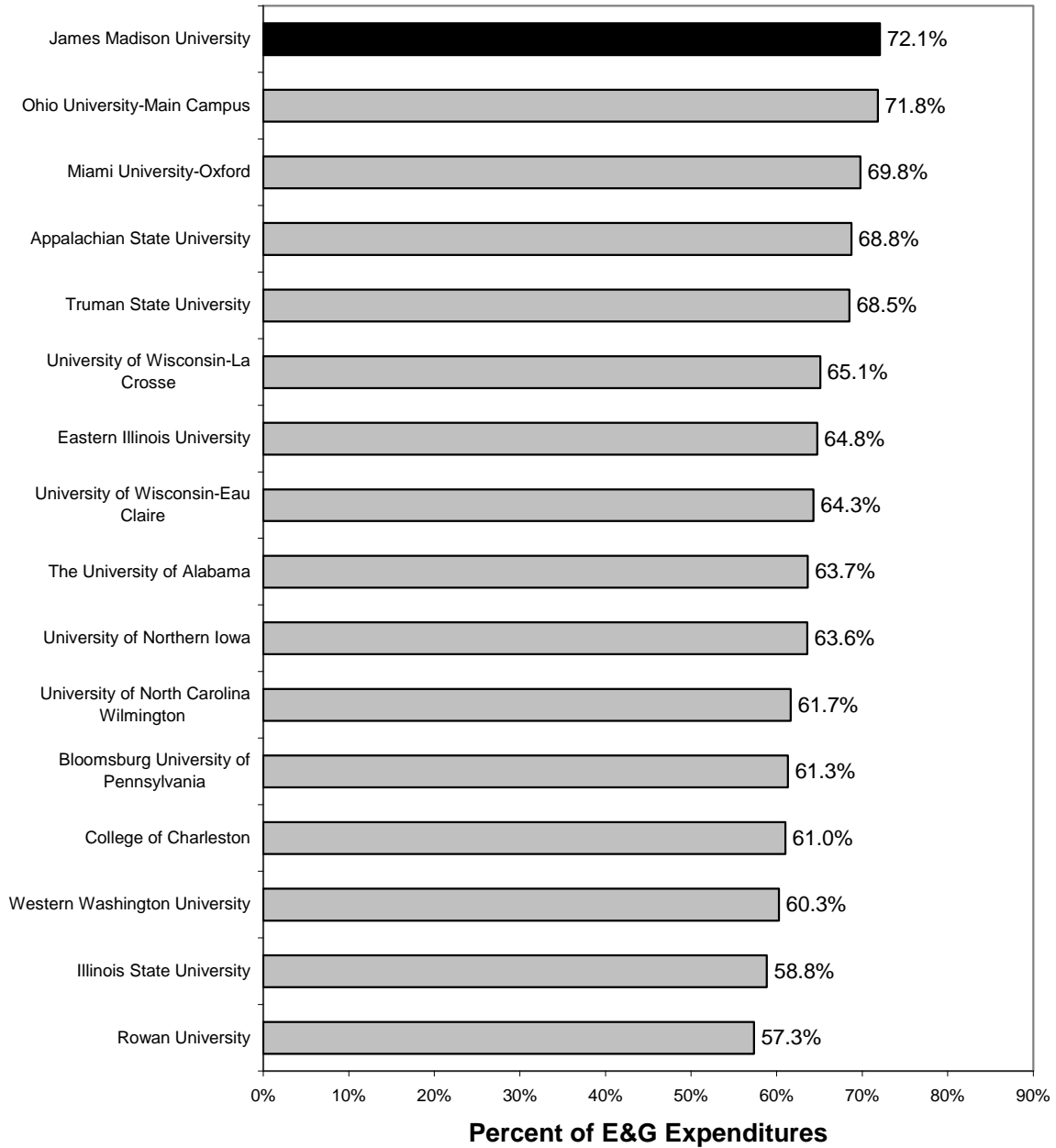
**Institutional Support * as a Percent of FY06 E&G
Expenditures: New SCHEV Peers**



*E&G estimate excludes Research, Public Service, Scholarships and Fellowships, and Transfers.

Data not available for Baylor University, Boston College, Duquesne University, Fairfield University, Gonzaga University, Hofstra University, Loyola Marymount University, Marquette University, St. John's University-New York, Texas Christian University.

Instructional and Academic Support* Expenditures as a Percent of FY06 E&G Expenditures: SCHEV Peers

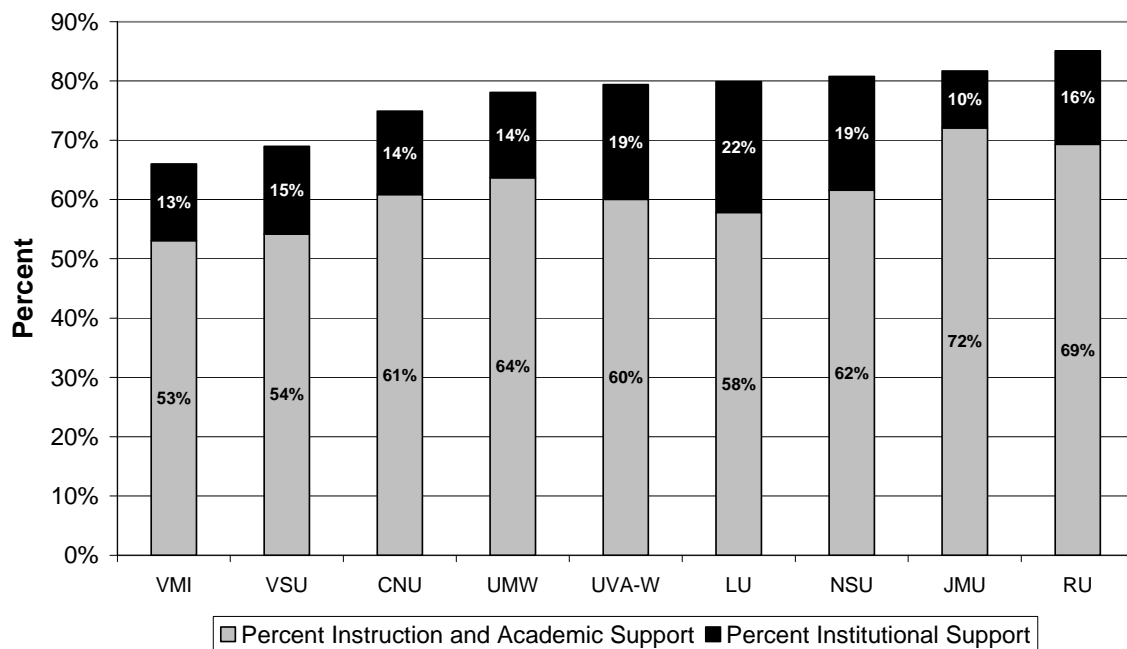


*E&G estimate excludes Research, Public Service, Scholarships and Fellowships, and Transfers.
Data not available for Baylor University, Boston College, Duquesne University, Fairfield University, Gonzaga University, Hofstra University, Loyola Marymount University, Marquette University, St. John's University-New York and Texas Christian University, all private institutions.

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 2005-06, JMU ranks 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.

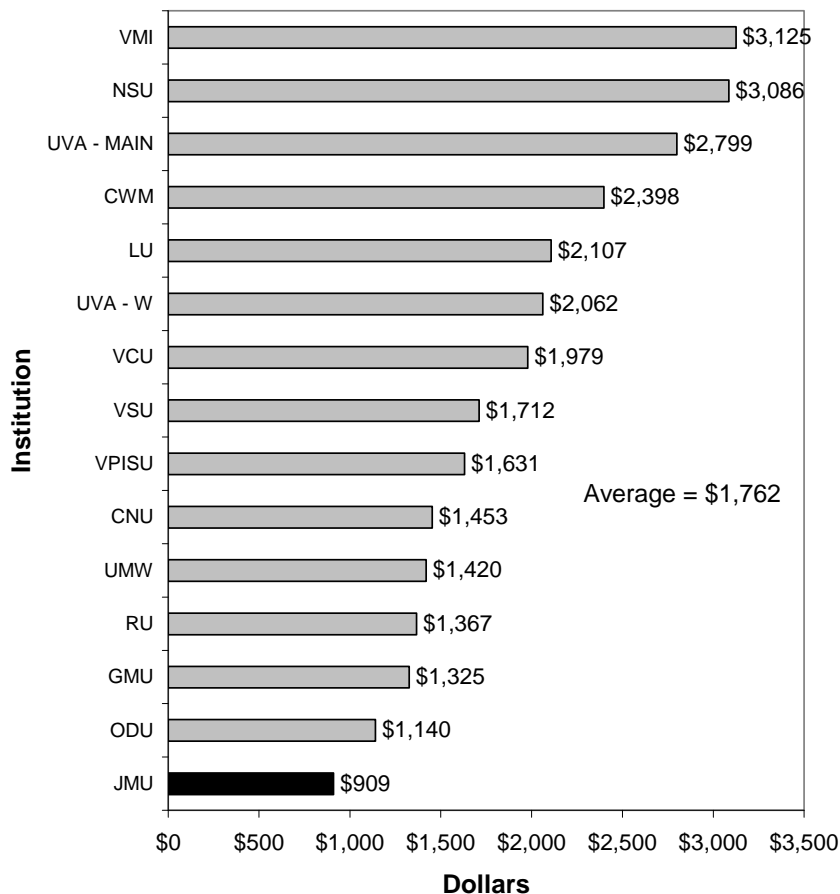
FY06 E&G Expenditures*
Virginia Public Comprehensives



* E&G estimates exclude 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.

Estimated E&G Expenditures FY 2006 Institutional Support Per FTES



Source: IPEDS Finance Reports And SCHEV

Of the Virginia institutions, JMU again ranks last at \$909 per FTES expended on institutional support in FY 2006. This figure is \$231 per student less than the next lowest institution (Old Dominion University) and \$2,216 less than the highest (VMI). On a per student basis, JMU has for many years been administratively the leanest institution in the Commonwealth.

4.2 Faculty and Staff Salaries

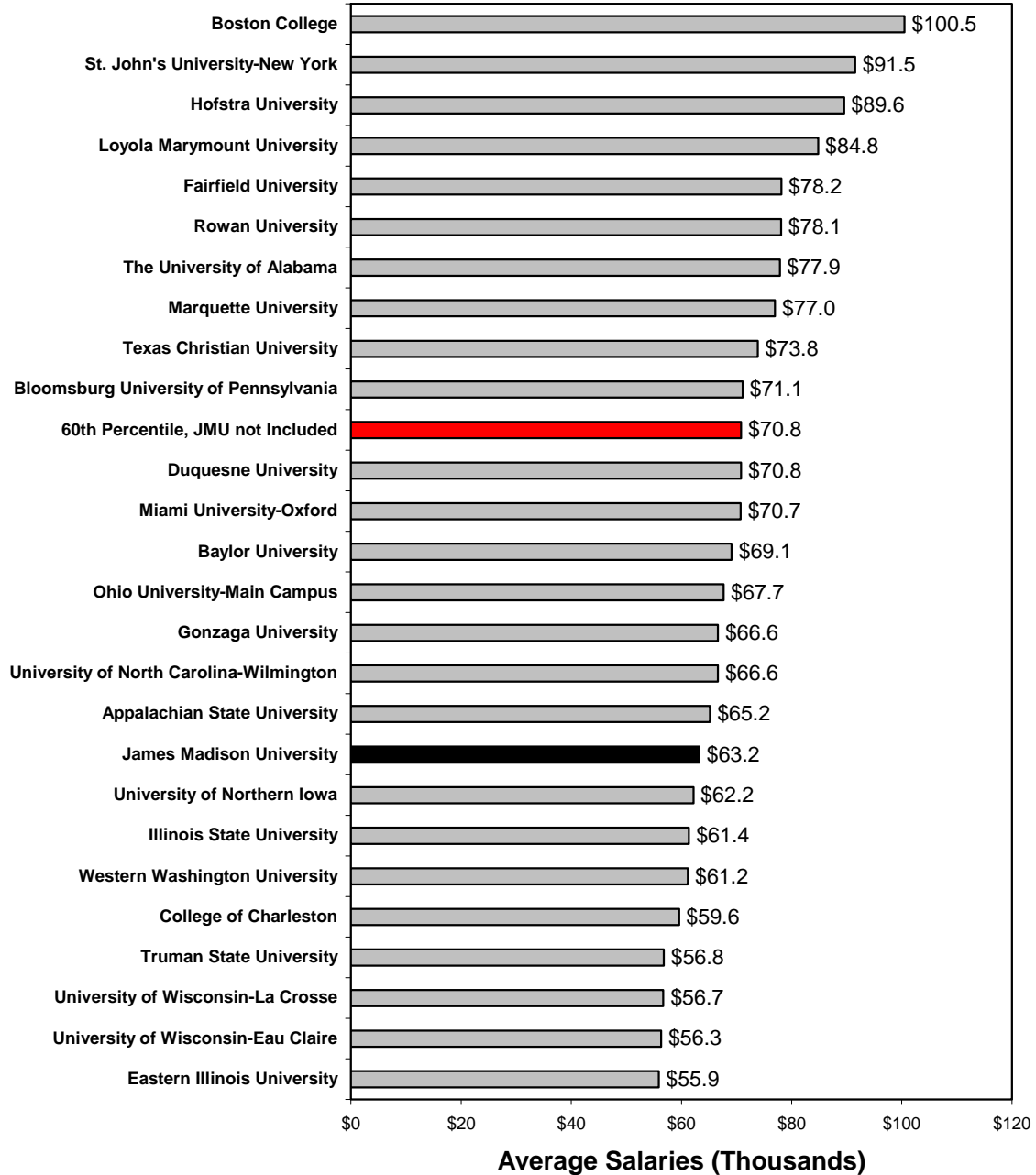
In the spring of 2007 JMU and the other Virginia publicly funded colleges and universities created new peer institutions through negotiations with SCHEV staff and other state agency representatives. These replaced the peer groups negotiated in 1997 as a benchmark in support of the public policy objective that all state colleges and universities offer competitive faculty salaries equal to the 60th percentile of a national group of its peer institutions. In 2006-07 JMU's current position was 18th out of 25 institutions. The 60th percentile faculty salary for 2006-07 was \$70,800, thereby putting JMU's appropriated average salary \$7,600 below the objective. Comparative information for 2007-08 will be available later this year.

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 2006 all eligible faculty received a 3.84 percent increase. The family medical premium increased to \$140. The 2005-06, 2006-07 and 2007-08 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. In December 2006 faculty received a 3.84 percent raise, administrators received a 3.29 percent raise, and classified staff received a 4.00 percent raise. In December 2007 all faculty, administrators and classified staff received a 4.00 percent raise.

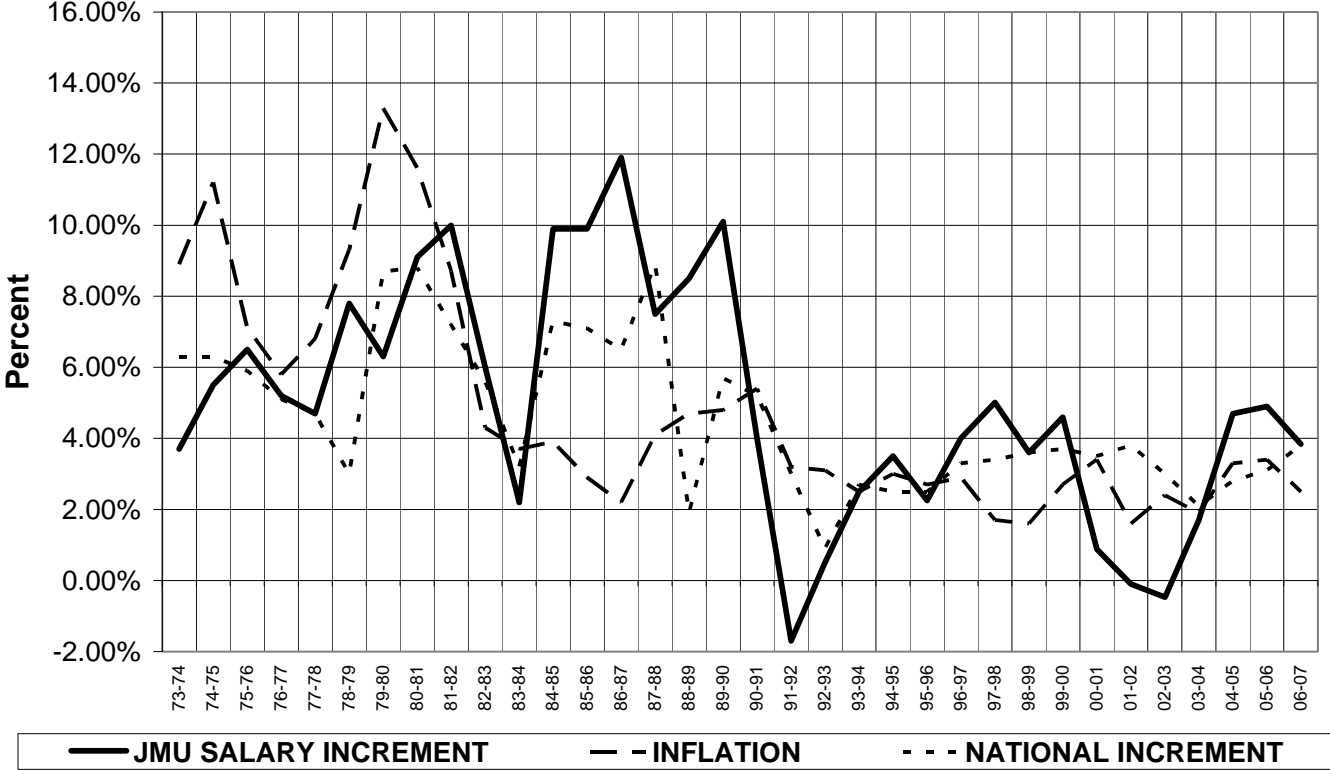
Between 1989-90 and 1999-00 the appropriated salary raises for faculty and classified staff slightly exceeded the CPI due to the higher raises and lower CPI in the previous three years. Between 1989-90 and 1994-95, the monthly cost for family medical insurance increased by 67 percent from \$102 to \$170. 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. The premiums were \$127 in 2005-06, \$140 in 2006-07 and \$147 in 2007-08. Benefits as a percentage of total compensation have increased by more than 10 percent since 1996-97.

SCHEV Peer Group Average Faculty Salaries, 2006-07



60th Percentile Faculty Salary = \$70.8 (Thousands)

Inflation and JMU Faculty Salaries 1973-74 To 2006-07



Source: Institutional Research and AAUP

*Appropriated Salary Increases and Cost of Family Medical Coverage
1989-90 to 2007-08*

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%	2.50%	2.50%	2.50%	240
2003-04	1.9%	2.25%	2.25%	2.25%	99
2004-05 July ²		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
2006-07	2.5%	3.84%	3.29%	4.00%	140
2007-08	4.1%	4.00%	4.00%	4.00%	147

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.

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

² 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. <http://www.bls.gov/news.release/pdf/cpi.pdf>
Health insurance figures from Virginia Department of Human Resources Management. Medical plan is COVA Care (includes basic dental) for Family.

<http://www.dhrm.state.va.us/hbenefits/openenroll07/premiums2007.html>