Executive Summary

The purpose of this document is to inform the JMU community about the economic factors that have and will face the University as it seeks to accomplish its Mission Statement. This summary of the financial environment for higher education for JMU, the Commonwealth, the southeast region of the U.S., and nationally has been produced annually for more than 17 years. The summary is divided into three sections that relate to the sources of funds and how they have been spent: Tuition and Fees; State Appropriations; and Expenditures. Where available and appropriate, comparisons are made to national, regional and state data.

In summary:

- Virginia continues to be a high tuition state for residents and students from outside of Virginia. Recent tuition increases to offset significant budget cuts have made higher education even less affordable for Virginia residents.
- The Commonwealth’s General Fund appropriations for higher education, which have historically been much less than other states, have declined at a higher rate than most other states in the last 30 years.
- JMU has wisely preserved expenditures for instruction during the current and previous budget difficulties. Administratively, JMU is one of the leanest public institutions in the Commonwealth.

Tuition and Fees

- 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 7th highest among the fifty states.
- According to SCHEV, for Virginia comprehensive institutions, the average tuition increase was 264% from FY1990 to FY2012 and 145% from FY2001 to FY2012 compared to the national average tuition increases in this category of 315% and 110% respectively. Tuition at Virginia’s two-year colleges increased by 261% and 176% while the national average tuition for this category increased by 249% and 96% during the same periods.
- Virginia is affiliated with the Southern Regional Education Board (SREB) – the nation's first interstate compact for education. Virginia has the fourth highest tuition and fees for in-state undergraduates at similar regional institutions. JMU held the third position for the last five years. Virginia’s increase (nine percent) was above the median (seven percent) for all the states.
- Among the Commonwealth’s 15 four-year public colleges and universities, JMU’s in-state tuition ranks 12th highest, required fees ranks 5th, and room and board ranks 9th. Total in-state tuition, required fees, and room and board ranks 11th and JMU’s out-of-state total cost ranks 10th. In 2012-13, annual increases in Virginia for the senior institutions for in-state tuition, required fees, and room and board ranged from 2.7 percent at Norfolk State University to 7.1 percent at Virginia State University.
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. Since reaching the low point (the most affordable) of 32.2 percent in 2001-02 after several years of state mandated tuition controls, this measure of affordability (43.7 percent in 2011-12) has crept steadily higher and is higher and grew by 2.3 percent from FY2011 to FY2012.

Since 2003-04 JMU’s in-state tuition and fees increased from $2,420 to $4,862 (99 percent) while increasing from $10,642 to $18,850 (77 percent) for out-of-state students.

**Appropriations**

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 FY13 appropriations per $1,000 of personal income (a measure of the state’s ability to pay) were 18.1 percent below FY01 and 39.9 percent below FY80.

Since 1980 Virginia’s appropriations declined -56 percent. In FY13 Virginia ranked 38th in appropriations per $1,000 at $4.56 ($4.57 in 2012), $1.02 below the national average of $5.58. In 1990 Virginia ranked 27th at $9.78, $0.45 above the national average of $9.33.

For 2010-11, JMU would have required an additional $21.9 million in E&G operating funds to reach the median of its public national peer group or $26.6 million to reach the 60th percentile.

In 2010-11, state general fund operating appropriations per FTE student in Virginia ranked near the bottom among similar institutions in SREB states. Virginia ranked 11th out of 14 states.

Per-student funding for Virginia's Four-Year 3 institutions gained and lost ground against other states between 1990-91 and 2010-11. For example, in 1990-91 Virginia’s percentage of the mean SREB institutions was 72 percent. It declined to 68 percent in 2003-04, but rose to 75 percent in 2010-11.

According to the data provided by SCHEV, in constant FY13 dollars, the FY13 general fund appropriation per FTE student is 56 percent of the FY89 appropriation, the non-general fund appropriations is 188 percent of FY89, and the total E&G appropriation is 101 percent of FY89. This means that the Virginia public institutions have fewer resources for operations now than they had 24 years ago (4 percent less than three years ago).

The Commonwealth of Virginia appropriates nearly $1 billion annually to the four-year institutions. A measure of the outcomes of this investment is the amount expended by the institutions for each degree awarded. The appropriation per graduate at JMU was $49,390 in 2012, the fifth lowest of the four-year institutions. In 2012, the Commonwealth of Virginia’s average of four-year institutions’ appropriations per graduates was $64,800, 31 percent higher than JMU’s appropriation per graduate.

JMU’s appropriation per graduate was 39 percent lower than the U.S. average of four-year institutions’ appropriations per graduates ($68,617).
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. Educational and General (E&G) total assignable square feet (ASF) increased at a higher rate than Regular Session (fall and spring) FTE students. Significant additional E&G space is now devoted to instruction and academic support with the addition of the biotechnology building on the East Campus, and the acquisition and remodeling of the hospital property. Since FY97 total E&G ASF per FTE student increased from 66.64 to 93.35 (27 percent).

Nearly $2 billion has been appropriated for JMU in the last 20 biennia.

**Expenditures**

- When JMU is compared to the public institutions in its national peer group (approved by the State Council of Higher Education - SCHEV), the 2010-11 data indicate that JMU is the highest institution in support of instruction.
- Of the Virginia comprehensive institutions in 2011-12, JMU ranks first in the percent of E&G budget spent on instruction and academic support (combined) and last in the percent of E&G budget spent on institutional support.
- Of the Virginia institutions, JMU again ranks last at $1,519 per FTES expended on institutional support in FY12. This figure is $42 per student less than the next lowest institution (Old Dominion University) and $2,936 less than the highest (UVA). On a per-student basis, JMU has been administratively the leanest institution in the Commonwealth for more than 20 years.
- In the spring of 2007 JMU and the other Virginia publicly funded colleges and universities created new faculty salary peer institutions through negotiations with SCHEV staff and other state agency representatives. In 2011-12 JMU’s position was 19th out of 25 institutions. The 60th percentile faculty salary for 2011-12 was $83,800, thereby putting JMU’s reported (to AAUP and IPEDS) average salary of $68,700 $15,100 below the objective.
- Salary increases for faculty, staff and administrators have mirrored the economic condition of the Commonwealth. Currently salaries are frozen at 2007-08 levels for all Commonwealth employees. In December 2010 all Commonwealth employees were given a three percent bonus. The bonus was not added to the base salary. In 2011-12, faculty and staff received a 2.00% bonus from JMU.
- Benefits as a percentage of salaries have mushroomed in the last 30 years due primarily to higher costs for medical insurance. For instructional faculty benefits as a percentage of total salary increased from 25 percent in 1991-92 to 32 percent in 2011-12.