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 and Strategic Plan. 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 periodically for more than 20 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.

To preface:

- Twenty years ago the staff at the State Council of Higher Education for Virginia (SCHEV) began warning the institutions of a financial “perfect storm” that was about to descend on higher education in the Commonwealth and the nation. The “perfect storm” consisted of projected significant increases in competition for tax dollars from health care, prisons and the Virginia Retirement System. Little did SCHEV and the Virginia institutions recognize the impacts of the sizeable ups and downs of the national and State economies on the ability of the Commonwealth to fund adequately all services, including higher education. Given that for more than 30 years Virginia has been considered to be a high tuition state, the budget cuts and significantly higher tuition and fees for Virginia students should not come as a surprise.
- 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 averages. The Commonwealth's tuition ranks 6th highest among the fifty states.
- Virginia has the second highest tuition and fees for in-state undergraduates at similar regional institutions. JMU’s tuition and fees are increasing at a much higher rate than most other schools in this region (Southern Region Educational Board – SREB) schools.
- Among the Commonwealth’s 15 four-year public colleges and universities, JMU’s total in-state cost (tuition, fees, room and board) ranks 11th. JMU’s out-of-state total cost ranks 10th highest.
- 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 15 years ago.
**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 FY15 appropriations per $1,000 of personal income (a measure of the state’s ability to pay) were 24 percent below FY05 and 55 percent below FY88.
- Since 1988 Virginia’s appropriations declined by 55 percent. In FY15 Virginia ranked 38th in appropriations per $1,000.
- Regionally, in 2013-14 state general fund operating appropriations per FTE student in Virginia ranked in the middle of SREB states. Virginia ranked 7th out of 14 states, an improvement from three years ago.
- Virginia public institutions have similar resources for operations now to what they had 24 years ago, but this increase was generated almost entirely from tuition revenue and short-term ARRA funding, not from state support.
- 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.
- JMU has met SCHEV’s standards for the use of classroom and laboratory space for more than 30 years.
- Nearly $2.5 billion has been appropriated for JMU in the last 20 years.

**Expenditures**

- When JMU is compared to the public institutions in its national peer group (approved by the State Council of Higher Education - SCHEV), the 2012-13 data, the last year’s data available from IPEDS, indicate that JMU is the fourth highest institution in support of instruction.
- Of the Virginia comprehensive institutions in 2012-13, 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 comprehensive institutions, JMU again ranks last at $1,776 per FTES expended on institutional support in FY13. This figure is $270 per student less than the next lowest institution (Radford University) and $1,065 less than the highest (UVA-Wise), excluding VMI. On a per-student basis, JMU has been administratively the leanest comprehensive institution in the Commonwealth for more than 20 years.
- Salary increases for faculty, staff and administrators have mirrored the economic condition of the Commonwealth with periods of zero percent increase or small increases which have not kept up with inflation.
- 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 39 percent in 2014-15. Much of the increase in 2014-15 from 33 percent in 2013-14 to 39 percent was to improve the long-term solvency of the Virginia Retirement System.