3.0 EXPENDITURES

3.1 Total Operating Expenditures

As demonstrated by the chart below, financial resources remain concentrated on the university's core business — instruction. The format in which expenditure data are reported for public institutions changed for IPEDS between 2008-09 and 2009-10. Beginning with 2009-10 expenses for operations and maintenance of the physical plant are embedded in each of the major expense categories. Therefore, comparisons to previous years are no longer possible. Functions detailed in the chart below as instruction and academic support represented 74 percent of all expenditures in 2013-14.

When JMU is compared to the public institutions in its national public peer institutions (approved by the State Council of Higher Education - SCHEV), the 2012-13 (most recent year available for all institutions) data indicate that JMU is the fourth highest institution in support of instruction (see chart on page 28) within the public institutions. As indicated in the chart on page 29, JMU spends a smaller percent on institutional support than seven 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 preserved its instructional monies.
**Instructional and Academic Support** Expenditures as a Percent of FY12-13 E&G Expenditures: SCHEV Peers

- Appalachian State University: 82.1%
- Miami University-Oxford: 80.1%
- Ohio University-Main Campus: 79.2%
- James Madison University: 79.1%
- Truman State University: 76.1%
- Western Washington University: 75.5%
- University of North Carolina Wilmington: 75.2%
- University of Northern Iowa: 75.1%
- The University of Alabama: 74.8%
- University of Wisconsin-La Crosse: 73.9%
- Eastern Illinois University: 72.7%
- Bloomsburg University of Pennsylvania: 69.9%
- Rowan University: 69.7%
- University of Wisconsin-Eau Claire: 69.3%
- College of Charleston: 68.7%
- Illinois State University: 62.4%

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*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. Private institutions report financial data to IPEDS using a different form.
Institutional Support* Expenditures as a Percent of FY12-13
E&G Expenditures: SCHEV Peers

- University of Wisconsin-La Crosse: 7.6%
- Truman State University: 9.2%
- University of Wisconsin-Eau Claire: 11.1%
- Appalachian State University: 11.6%
- Miami University-Oxford: 12.7%
- Eastern Illinois University: 12.8%
- Ohio University-Main Campus: 13.1%
- Western Washington University: 13.2%
- James Madison University: 13.6%
- The University of Alabama: 15.4%
- University of North Carolina Wilmington: 16.4%
- Bloomsburg University of Pennsylvania: 18.2%
- University of Northern Iowa: 18.6%
- Rowan University: 19.6%
- Illinois State University: 20.0%
- College of Charleston: 21.6%

*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 chart presented below compares instructional/academic and institutional support for Virginia's comprehensive institutions. Of the Virginia comprehensive institutions in 2012-13, JMU ranks first 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.

*E&G estimates exclude Research, Public Service, Scholarships and Fellowships, and Transfers
The chart 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 displays 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 often included in their total E&G expenditures.

Of the Virginia institutions, JMU ranks second at $1,776 per FTES expended on institutional support in FY13. This figure is $2,544 per student less than $4,320, the highest (VMI). On a per-student basis, JMU has been administratively one of the leanest institution in the Commonwealth for more than 20 years.
3.2 Faculty and Staff Salaries

For more than 25 years the General Assembly has endorsed a policy that faculty should be paid at rates higher than public institutions in other states. This policy was adopted in part to ensure that Virginia institutions could be competitive for the most qualified faculty. In 1986 the first national peer groups were established for each Virginia institution. In the spring of 2007 JMU and the other Virginia publicly-funded colleges and universities negotiated new peer institutions with SCHEV staff and other state agency representatives. These replaced the second 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 2013-14 JMU’s position was 17th out of 25 institutions. The 60th percentile faculty salary for 2013-14 was $83,600, thereby putting JMU’s reported (to AAUP and IPEDS) average salary of $72,100 $11,500 below the objective.

Seventeen of the peers, including JMU, are public institutions. Arguments have been made that JMU should not be compared to private institutions that typically have larger endowments and charge higher tuition and fees, thus being able to provide higher salaries than public institutions like JMU. The average salary of the public institutions in our peer group is $72,230 which is considerably less than the private institutions’ average of $92,700.

As demonstrated by the data shown on page 34, the salary increases since 2003-04 have at times exceeded or been less than the Consumer Price Index (CPI). Salary increases for all state employees have been affected by the vagaries of Virginia politics and the ups and downs of the national economy. The variability of JMU’s salary changes have been much higher (2.52 percent vs. 1.07 percent for the CIP), as measured by the standard deviation of percentage changes since 1990-91). The graph on page 33 displays how much more volatile salary increases in the Commonwealth have been compared to the CPI and national faculty salary increases. Due to the severe financial crisis in Virginia, 2008-09 through 2012-13 base salaries were frozen at 2007-08 rates. In 2013-14 the Commonwealth and JMU were able to allocate funds for a fairly substantial (8.1 percent) increase over 2012-13.

Benefits as a portion of salary have been increasing for many years, but the contributions to VRS have increased considerably in the last two years to improve the financial viability of VRS. In 2003-04 benefits as a proportion of salary were 30 percent and by 2014-15 had grown to 39 percent.

The costs of medical insurance have increased dramatically in the last 25 years. The increase in the percentage of a faculty or staff member’s total benefits from 25 percent in 1986-87 to 32 percent in 2011-12 was primarily due to the increased costs of health insurance. The family medical plan costs have varied from $240 per month in 2004-05 to $150 in 2011-12.

Legislation adopted by the General Assembly to ensure the financial health of the Virginia Retirement System (VRS) impacted base salaries for recently hired faculty and staff. On July 1, 2011 classified, AP or instructional faculty hired prior to July 1, 2010 and enrolled in VRS Plan 1 received a 5 percent base salary increase to offset the 5 percent VRS member contributions required by the General Assembly.
Average Faculty Salary = $79.7 (Thousands)

* Public Institutions
Annual JMU Faculty Average Salary Percent Changes Compared to Inflation (CPI) and National Average Salary Changes, 2003-04 to 2014-15

Sources: Institutional Research, Bureau of Labor Statistics, and AAUP
### Appropriated and JMU-Funded Salary Increases and Cost of Family Medical Coverage
#### 2003-04 to 2015-16

<table>
<thead>
<tr>
<th>Year</th>
<th>CPI Increase (December to December) *</th>
<th>Instructional Faculty</th>
<th>Administrative Faculty</th>
<th>Classified Staff</th>
<th>Monthly Cost of Family Medical Plan</th>
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<td>2003-04</td>
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<td>2008-09</td>
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<td>2009-10</td>
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<tr>
<td>2010-11³</td>
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<td>2011-12⁴</td>
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<td>2012-13</td>
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<td>2013-14</td>
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<td>2.00 %</td>
<td>2.00 %</td>
<td>2.00 %</td>
<td></td>
<td>$235</td>
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</tbody>
</table>

**Source:** JMU Budget Office and Human Resources

**Note:**
² In July 2004 JMU funded raises for all employees. The Commonwealth also funded raises for all eligible employees beginning in December 2004.
³ In 2010 a one-time 3.0 percent bonus was given to all full-time employees. The 3.0 percent was not added to the base salary and is not included in salary statistics for IPEDS and AAUP.
⁴ On July 1 classified, AP or instructional faculty hired prior to July 1, 2010 and enrolled in VRS Plan 1 received a 5% base salary increase to off-set the 5% VRS member contributions required by the General Assembly. In 2011-12, faculty and staff received a 2.00% bonus from JMU.
Health insurance figures from Virginia Department of Human Resources Management. Medical plan is COVA Care (includes basic dental) for Family. See [DOA Payroll Bulletins](http://www.bls.gov/news.release/pdf/cpi.pdf) for annual rates.