

## DOCUMENT RESUME

ED 481 768

HE 036 273

TITLE Condition of Higher Education Funding in Virginia. A SCHEV Report.  
INSTITUTION Virginia State Council of Higher Education, Richmond.  
PUB DATE 2003-05-00  
NOTE 82p.  
AVAILABLE FROM State Council of Higher Education for Virginia, James Monroe Building, 101 North Fourteenth Street, Richmond, VA 23219. Tel: 804-225-2600; Fax: 804-225-2604; Web site: <http://www.schev.edu>.  
PUB TYPE Reports - Descriptive (141)  
EDRS PRICE EDRS Price MF01/PC04 Plus Postage.  
DESCRIPTORS Access to Education; \*Educational Finance; Expenditure per Student; \*Financial Support; Higher Education; Income; \*State Colleges; Student Costs; Tuition  
IDENTIFIERS \*Virginia

## ABSTRACT

This report examines trends in resources available, past funding policies, and the need for a funding policy for Virginia public higher education that can minimize the impact of peaks and troughs of economic cycles. It reviews trends from 1988-89 to 2003-04 by: identifying primary revenue sources of higher education, examining institutional expenditures, and comparing Virginia's revenues and expenditures with those of other states. Findings indicate that over 15 years, state support fluctuated consistent with Virginia's changing economic conditions. Tuition revenue has been used to offset general fund reductions during economic downturns when students and their families can least afford to pay. Virginia higher education is more affordable today than it was 10 years ago. However, this affordability was achieved through dramatic changes in cost sharing over the period, with varying degrees of equity depending upon when a student entered the system. While many Virginia institutions have received consistently high ratings on educational value and academic quality from national organizations, Virginia institutions have operated with less overall support per student than their national public peers, partly because enrollments at Virginia institutions have increased by 23 percent over 15 years with little or no enrollment growth funding. (Contains 18 references.) (SM)

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# A SCHEV REPORT

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## Condition of Higher Education Funding in Virginia

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## EXECUTIVE SUMMARY

During the past 15 years, Virginia, along with the rest of the nation, experienced two economic recessions. The first occurred in the early 1990's and the second came a decade later. In order to balance the state's budget, the Commonwealth reduced its funding to higher education and allowed institutions to increase tuition and fees, on average, by double-digit percentages, to help offset the lost general fund. Between the two recessions, the country experienced a booming economy. As a result of increased state tax revenues between FY97 and FY01, the Commonwealth provided additional general fund support of \$457 million for higher education, and not only froze in-state undergraduate tuition, but rolled it back by 20% to make a college education more affordable than at any time over the past ten years (as a measure of cost to disposable income). However, such swings in cost sharing between state subsidy and tuition, have left students and their families with little ability to plan for paying the cost of higher education.

The analyses contained in this report are meant to inform state policymakers, taxpayers, and the higher education community about the current condition of higher education funding in the Commonwealth. The report examines trends in resources available, past funding policies, and begins to suggest a need for formulating a funding policy for Virginia public higher education that can minimize the impact of peaks and troughs of economic cycles, and provide our public colleges and universities with better capabilities for a quality education to Virginians. This report reviews the trends of public higher education funding in Virginia from 1988-89 to 2003-04 by:

- Identifying the primary revenue sources of higher education;
- Examining institutional expenditures; and
- Comparing Virginia's revenues and expenditures with those in other states, including peer institution comparisons.

Virginia higher education funding is a shared responsibility, primarily between the state and students and their families. However, this report finds that, over the past 15 years, state support has fluctuated consistent with the changing economic conditions of the Commonwealth. Tuition revenue has been used to offset general fund reductions during economic downturns when students and their families can least afford to pay.

The report also finds that Virginia higher education is more affordable today than it was more than a decade ago. However, this affordability was achieved through dramatic changes in cost sharing over the period, with varying degrees of equity depending upon when a student entered the system. Further, had the Commonwealth encouraged institutions to deposit 1% of their tuition revenue each year into a revenue reserve fund beginning in FY92, the investment would have grown to more than \$100 million by FY03 or enough to have covered most, if not all, of higher education's share of the general fund reductions in October 2002.

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While many Virginia institutions have received consistently high ratings on educational value and academic quality from national organizations, this report finds that Virginia institutions have operated with less overall support per student than their national public peers, partly due to the fact that the enrollments at Virginia institutions have increased by more than 62,000 students, or 23% in the past 15 years with little to no enrollment growth funding. Virginia's state-supported system of higher education is estimated to have a funding shortfall of \$351 million based on the guidelines developed by the Joint Subcommittee on Higher Education Funding Policies of the Virginia General Assembly. It is estimated that the addition of \$300 to \$400 million, from any combination of fund sources, would elevate Virginia's ranking among the states to the top ten on a total support per student basis and bring Virginia institutions to their national public peers' average level of support per student in FY01.

As it is projected that the demand for higher education in Virginia will continue to grow and the economic cycles will remain, this report concludes that it is time for policymakers and higher education leaders to develop a funding policy that includes consistent and sustained support from both the state and students; to create innovative ideas that can offer continuity and predictability to higher education funding; and to look for funding mechanisms that can provide resources to help higher education weather the economic downturns and to generate additional funding that Virginia institutions currently need, based on the base adequacy guidelines, in order to advance Virginia's system of higher education.

If successful, Virginia will be able to meet its responsibilities for an excellent system of higher education to the benefits of all Virginians by providing valuable educational, economic, and cultural opportunities across the Commonwealth.

## KEY FINDINGS

### Virginia Higher Education Funding: Trends and National Comparisons

- Virginia ranks in the top third of the states on most demographic and economic measures including: population (12<sup>th</sup>), percent of population with bachelor's degree or more (7<sup>th</sup>), gross state product (16<sup>th</sup>), state tax revenue (14<sup>th</sup>), median family income (9<sup>th</sup>), and per capita disposable income (13<sup>th</sup>).
- Virginia's state-supported system of higher education is one of the nation's largest in terms of enrollment (11<sup>th</sup>) and total state support (10<sup>th</sup>).
- Virginia institutions at both four-year and two-year levels received less state support per student than their public peers for the operation of the Educational and General (E&G) programs between FY89 and FY01.
- Between FY94 and FY02, Virginia increased its support of higher education by 72%. This increase allowed Virginia to attain levels of support comparable to those achieved in FY90 on national measures of higher education support per capita and support per \$1,000 income, and Virginia ranked 4<sup>th</sup> in largest increases in general fund support to higher education nationally in this period.
- A weak economy and related budget reductions caused the Commonwealth's rankings to plummet in FY03. Based on the most recent data, Virginia experienced the 4<sup>th</sup> largest higher education budget reduction nationally and the largest reduction of the 16 Southern Regional Education Board states.
- Virginia's national ranking on tuition and fees charged to in-state undergraduate students has improved dramatically since 1990: From 8<sup>th</sup> highest to 20<sup>th</sup> in the major public university category, from 2<sup>nd</sup> to 12<sup>th</sup> in the public colleges and state universities category and from 28<sup>th</sup> to 44<sup>th</sup> at the community colleges.
- Virginia institutions at both four-year and two-year levels spent less per student than their public peers on E&G programs between FY89 and FY01.
- On a percentage basis, Virginia institutions spent more for academic programs than their public peers but less for both administration and operation and maintenance of physical plant. Activities related more directly to instruction and student learning are given higher priority in Virginia.
- Over the past 15 years, total Educational and General appropriations increased 17% after adjusting for inflation. However, total support per student actually decreased, by less than 1% on average, after adjusting for inflation. This indicates that institutions used available resources to accommodate enrollment increases and had less resources available to address quality improvements and new initiatives.

- Virginia's colleges and universities have consistently received less state support per student, and indeed, have spent less per student, on average, than their public peer institutions. The fact that many of our institutions receive consistently high ratings on educational value and academic quality from national publications, such as U. S. News & World Report, may indicate that Virginia institutions are operating at a higher level of efficiency and effectiveness than their peer institutions.

### **Virginia Higher Education Funding Conditions**

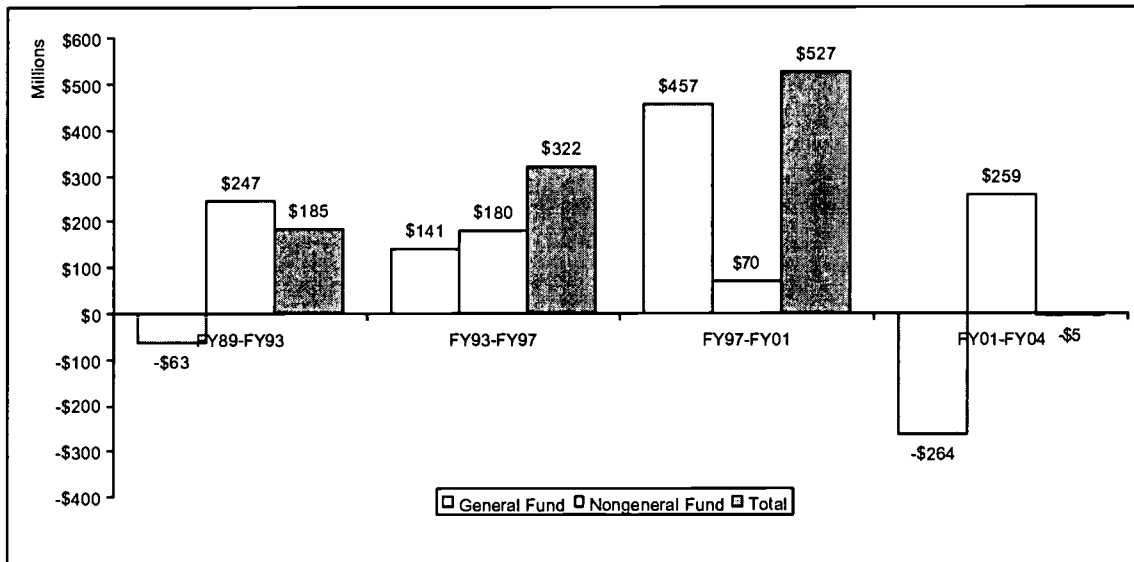
- Although Virginia higher education funding is a shared responsibility between the state and students and their families, this cost sharing arrangement has resulted in somewhat of a paradox. State general fund support fluctuates based on changing economic conditions. Tuition revenue is used to offset general fund reductions during downturns in the economy when students and their families can least afford to pay.
- The percentage of total state tax revenues that supports higher education is shrinking. In FY89, higher education made up 18% of the state's general fund budget and in FY04, it will be about 12%.
- Virginia institutions are currently operating with an estimated \$351 million base budget funding shortfall systemwide in FY03.
- In the past 15 years, the state's share of the cost of higher education has varied significantly, ranging from a high of 66% (FY89) to a low of 49% (FY96). The state is currently providing a share of about 50% (FY03).
- In the past 15 years, tuition increases at Virginia institutions tended to be dramatic and unpredictable, as tuition was either increased to supplant revenues lost due to state budget reductions or constrained as a result of the tuition freezes and rollback.
- As a result of the tuition freeze and rollback policies implemented between FY97 and FY02, Virginia public higher education is more affordable today than it was in the prior decade—when total student charges are viewed as a percent of per capita disposable income (currently about 34%).
- Over two-thirds of spending at Virginia institutions is for salaries and benefits as higher education is a labor-intensive industry.
- Virginia institutions' expenditures increased roughly 2-3 percent per year, on average, above the rate of inflation for both salary and non-salary expenses from FY89 to FY02.

## INTRODUCTION AND OVERVIEW

In the past 15 years, along with the rest of the nation, Virginia has experienced two economic recessions. The first occurred in the early 1990's and the second came a decade later. In order to balance the state budget, the Commonwealth largely reduced its funding to higher education and allowed institutions to increase tuition and fees by double-digit percentages to help offset the general funds lost during both economic downturns. Chart 1 shows incremental funding changes to higher education. General fund support was reduced and nongeneral fund support was increased during the periods of FY89-FY93 and FY01-FY04 -- years of the economic recession. In contrast, between FY97 and FY01 when the economy was booming, there was \$527 million additional funding, the largest increase over the past 15 years, and the general fund increase accounted for 90% of the total incremental funding as a result of increased state funds infused for the tuition freeze/rollback.

**Chart 1**

**Incremental Funding Changes for Educational and General Programs (E&G)**  
(in millions)



Note: FY04 nongeneral fund is an estimate, including nongeneral fund appropriations in Chapter 899 and additional tuition revenue in the conference report of the 2003 legislative session, plus an additional 8% increase over the total as tuition increase for the year. Includes 16 public institutions and VCCS only. Excludes lease payments in E&G appropriations, UMA and apprenticeship.  
Source: Appropriation Acts.

During this same 15-year period, enrollments at Virginia institutions have increased by more than 62,000 students, or 23%. It is projected that demand for Virginia higher education will continue to grow over the next 8 years. The State Council of Higher Education for Virginia (SCHEV) states in its *2003 Systemwide Strategic Plan for Virginia Higher Education* that:

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“Virginia’s system of higher education is one of the best in the country. The system has consistently provided a quality education to Virginia’s citizens at an affordable price. Notwithstanding, quality and affordability face an uncertain future. A vigorous system of higher education is critical to Virginia’s future. Consequently the Commonwealth must take strategic steps to preserve and improve its educational resources as we move forward in the twenty-first century.”

History shows that economic conditions are prone to cycles. To minimize the impact of these peaks and troughs in the economy on students, it is incumbent upon policymakers and the higher education community to assess current higher education funding resources, evaluate past funding policies, and formulate a funding policy with cost sharing goals for Virginia public higher education that will minimize the impact of unavoidable peaks and valleys of the economic cycle on students and provide sufficient resources so that colleges and universities can accommodate the expected additional enrollments.

Higher education has long been regarded as an engine for economic growth and prosperity for both individuals and society. The *2002 Trends in College Pricing* by the College Board revealed that over a lifetime, the median annual income for bachelor’s degree recipients is 80% higher than the median annual income for those with only a high school diploma. And the gap in earnings between these two groups exceeds \$1 million over a lifetime. In addition, the *2000 Economic-Impact Survey* by the National Association of State Universities and Land-Grant Colleges (NASULGC) reported that (a) the average return on every \$1 of state funding invested in a NASULGC institution is \$5; (b) the average tax revenue generated was \$60 million annually; (c) on average, two out of three graduates of NASULGC institutions remain in their states for a significant period of time after they receive their degrees; and (d) the average amount of sponsored research was \$105 million.

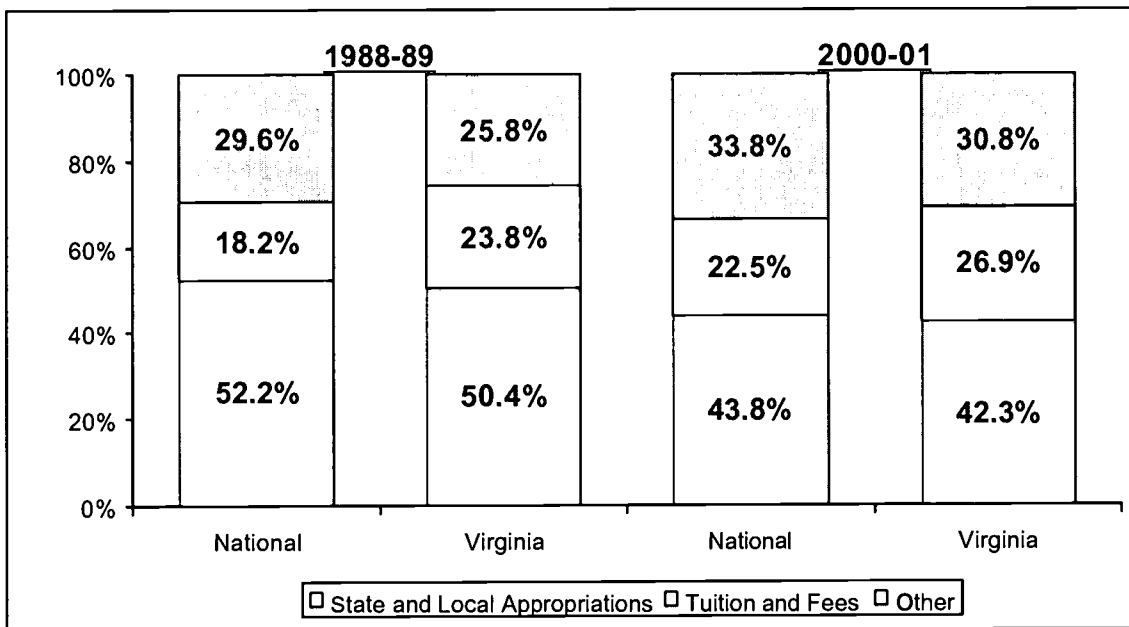
Because of the economic benefits resulting from higher education, state and local appropriations in support of higher education totaled \$61 billion nationally, and tuition and fees generated \$31 billion revenue for higher education in 2000-01<sup>1</sup>. Clearly, funding public higher education is a shared responsibility between students and their families and government as higher education yields both private and public benefits. However, over the years, there has been an ongoing debate nationally among the higher education community and policymakers about the cost of higher education and what is the proper cost sharing distribution for the public and the individual. Some argue that state governments are providing less inflation-adjusted funding on a per full-time equivalent student basis, making public higher education institutions less capable of providing quality services, while others say that public higher education institutions are not operating efficiently and are not held accountable for the resources they receive. Some worry that tuition and fees have become too high, making a college education less affordable, while others contend that students and their families do not pay their fair share given the potential higher lifelong earnings.

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<sup>1</sup> Integrated Postsecondary Education Data System (IPEDS) Finance 2000-01.

**Chart 2**

**Revenue Sources for Public Higher Education Operations**



Note: Excludes revenues from auxiliary, hospital and independent operations.  
 Other includes revenues from state grants, private giving and endowment.  
 Source: IPEDS Finance.

Chart 2 shows revenue sources for public higher education operations at the national level and in Virginia between FY89 and FY01. The data indicate the share of state and local appropriations decreased while the share of tuition and fees and other revenue sources increased over the years both nationally and in Virginia. Between FY89 and FY01, the share of state and local appropriations decreased from 52.2% to 43.8% nationally and from 50.4% to 42.3% in Virginia. The share of tuition and fee revenue increased from 18.2% to 22.5% nationally and from 23.8% to 26.9% in Virginia. The share of other revenue sources increased from 29.6% to 33.8% nationally and from 25.8% to 30.8% in Virginia. This shift in cost sharing reflects the “paradox of rising public expectations, shrinking public support”<sup>2</sup> and the ongoing debate of who pays for and who benefits from higher education nationally.

“For most Americans, college is no longer one of many routes to middle-class life, but a requirement for employment that makes such a life possible.... The growing importance of higher education imposes ever-greater responsibility on the state than in the past.”<sup>3</sup> To meet this calling and to help policymakers, higher educational leaders and the general public that are interested in higher education sort through these conflicting views and make decisions regarding the higher education funding policy, this report reviews the trends of public higher education funding in Virginia from 1988-89 to 2003-04 by:

<sup>2</sup> *Perspectives*, American Association of State Colleges and Universities, May 2001

<sup>3</sup> Introduction of *Measuring Up 2000* by Patrick M. Callahan

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- Identifying the primary revenue sources of higher education;
- Examining institutional expenditures; and
- Comparing Virginia's revenues and expenditures with those of other states, including peer institution comparisons.

The operation of higher education is supported by various revenue sources serving various missions such as instruction, research, and public service. However, this report examines only the primary funding sources, namely general fund support (state tax dollars) and tuition revenue. On the expenditure side, the report examines total spending for the operation of the educational and general (E&G) programs, including instruction and related support programs. In addition, this report selects the period of 1988-89 through 2003-04 for review because this timeframe covers the two recessions and the booming economy in between.

The primary purpose of this report is two-fold: (1) to provide a baseline assessment of higher education funding in Virginia; and (2) to present findings and identify critical issues that can become the basis for planning and decision-making about future funding policies for Virginia higher education. This report is not intended to provide detailed solutions or recommendations. Rather, any recommendation, funding policy or action plan, shall be developed over the coming months as the State Council of Higher Education for Virginia develops its 2004-06 budget recommendations for consideration by the Governor and General Assembly.

Finally, a word about the data constraints in this report. All data sources used in the report are the most current available. While the Virginia-specific data include the most recent year's actual expenditures (FY02) and appropriations (FY04), national data sources for these categories will not be available for at least another year. Therefore, the full impact of the recessionary budget reductions on higher education in Virginia relative to other states and peer institutions will not be known for at least another year.

## BACKGROUND OF VIRGINIA HIGHER EDUCATION AND FUNDING POLICIES

### Virginia Demographic and Economic Statistics

Before reviewing funding resources and expenditures specifically for Virginia public higher education, it is important to understand some fundamental statistics that affect Virginia higher education. Table 1 provides selected statistics about Virginia as of 2001 in terms of its population, economics, size of the public higher education system, and national rankings. The data show that Virginia ranks in the top third nationally in all but one of these selected measures – state tax as percent of disposable personal income. This is the only measure that Virginia is ranked in the bottom third, and in this case, actually means that Virginians have more disposable personal income than people in 42 other states. In sum, these statistics provide a sense of Virginia's size, health, and wealth relative to other states nationally and help provide a perspective of Virginia's position on a variety of indicators since this report compares Virginia higher education funding to that of other states.

**Table1**  
**Selected Virginia Statistics and National Rankings in 2001**

	Virginia	National Ranking	Source
<b>Demographics and Economics</b>			
Population	7.2 million	12th	US Census Bureau
Gross State Product (GSP) <sup>1</sup>	\$261.4 billion	16th	US BEA
State Tax Revenue	\$13.1 billion	14th	US Census Bureau
Disposable Personal Income	\$196.1 billion	15th	US BEA
Per Capita Disposable Personal Income	\$26,972	13th	US BEA
State Tax Revenue as % of Personal Income <sup>2</sup>	5.60%	43rd	US Census Bureau and BEA
Median Family Income	\$57,256	9th	US Census Bureau
Percent of People with Bachelor's degree or more	31.30%	7th	US Census Bureau
<b>Higher Education<sup>3</sup></b>			
Enrollment			
Headcount	313,806	11th	IPEDS
FTE <sup>4</sup>	217,813	11th	IPEDS
Degrees Awarded	51,001	11th	IPEDS
Degree Programs Offered	1,479	N/A	SCHEV

Notes:

- (1) GSP is a 2000 figure.
- (2) This is a calculated figure based on the data from US Bureau of Census and BEA.
- (3) Public institutions only.
- (4) FTE is calculated based on full-time and 1/3 of part-time headcounts.

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## **Virginia Higher Education Funding Policies**

Funding policies govern resource allocations. Therefore, it is important to review Virginia higher education funding policies before examining resource trends and comparisons in Virginia public higher education. Higher education funding in Virginia has been provided through a mix of formal and informal policies. Since the recession in the early 1990s, however, much of the state funding has been based on informal policies and recommendations, such as the availability or desirability of using general fund as opposed to nongeneral fund revenue to support higher education.

**Tuition and Fee Policies:** Between 1977 and 1981, the Commonwealth had a cost sharing policy of 70/30. That is, 70% of the cost of education was paid by the state and the remaining 30% of the cost paid by all students through tuition. However, this policy subsidized out-of-state students whose families did not pay Virginia state taxes and favored institutions with a high proportion of out-of-state students because those students paid higher tuition rates. To address these concerns, the state restructured its cost sharing policies several times during the 1980s, but always attempted to keep the contribution rate for in-state undergraduate students at 30% or less.

In 1992, as a result of the economic recession and state's budget shortfall, the state required all out-of-state students to pay at least 100% of the cost of their education. The state also allowed institutions to increase the in-state student cost share as well through tuition increases. As a result, in an effort to offset the general fund reductions to higher education, institutions raised tuition and fees for in-state students, resulting in a student share beyond the 30% threshold in the subsequent years.

In an effort to control rising tuition, Virginia policymakers first capped tuition and mandatory E&G fee increases at 3% for in-state students in the 1994-96 biennium and then implemented a "tuition freeze" policy on tuition and mandatory E&G fees for in-state undergraduate students from FY97 to FY02. Following the tuition freeze, to make a college education even more affordable, the Commonwealth rolled back in-state undergraduate tuition by 20% and supplanted the lost revenue with general fund in FY2000. At the same time, the General Assembly stated its goal of phasing into a cost sharing policy in which students at the community colleges would pay 20% of the cost of their education and in-state undergraduates at the other public institutions would pay 25% of the cost of their education. However, hit by the next economic recession in 2002 and the resulting state budget shortfall, the tuition freeze was lifted and institutions were allowed to increase tuition, by double-digit percentages, again in FY03.

**Institutional Operation Funding Policies:** Virginia used a set of funding guidelines (Appendix M) to develop budgets for institutional operation between 1968 and 1990. The guidelines were based on student enrollment and addressed funding needs for staffing and enrollment growth. However, the Commonwealth rarely provided enough funding to reach 100% of the calculated needs. These guidelines were abandoned during the 1990-92 biennium budget development because of the state budget

shortfalls. Throughout the 1990s, funding for institutional operations was primarily incremental based on the availability of the resources or institutional lobbying efforts.

In 2000, the Joint Subcommittee on Higher Education Funding Policies, created by the General Assembly, and with the help of a consultant and Virginia higher education stakeholders, developed new funding guidelines that used national data as benchmarks for higher education funding. The funding guidelines estimated that Virginia public higher education had a funding shortfall of \$200 million systemwide in FY01. Due to the budget impasse in the 2001 legislative session and the next economic recession starting in FY02, the funding needs identified by the guidelines had not yet been addressed. However, the funding guidelines' estimates were used as a guide in making state budget cuts to higher education institutions in order to make the reductions more equitable rather than across-the-board cuts in the 2002-04 biennium budget. To date, the base adequacy needs derived from the funding model has not been funded.

**Faculty Salaries:** In the 1986-88 biennium, the Commonwealth established a funding goal to raise the average faculty salaries at Virginia public institutions to the 60<sup>th</sup> percentile of their national peer institutions. The 60<sup>th</sup> percentile goal was first reached in 1989. During the first economic recession, the Commonwealth was unable to keep up with faculty salary increases nationally and the average faculty salaries fell short of the goal at all Virginia public institutions. When the economy improved in the late 1990s, the state made its top funding priority to increase faculty salaries again to reach the 60<sup>th</sup> percentile goal. The goal was achieved only the second time in history in FY2000. However, hit by the 2002 economic recession, the Commonwealth once again was unable to keep up with its funding goal and faculty salaries at the Virginia public institutions have not been increased since FY01. This places Virginia's four-year institutions' average faculty salaries at an estimated 34<sup>th</sup> percentile of their national peer groups by FY04.

These funding policies and related factors influenced higher education funding and operations over the past 15 years. At the same time, these funding policies were impacted by the national economy and the state budget situation.

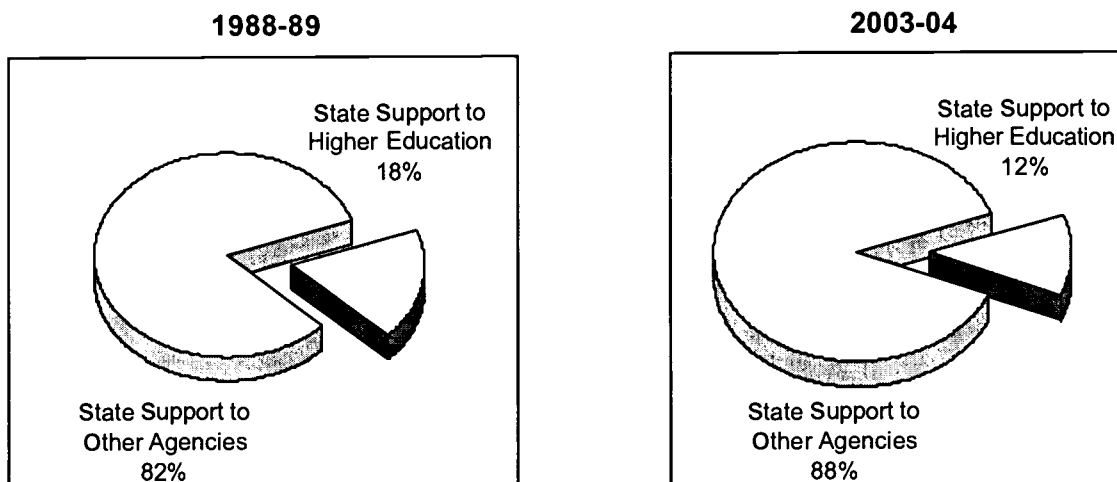
## PRIMARY REVENUE SOURCES OF HIGHER EDUCATION OPERATIONS

### Primary Revenue Sources at Virginia Public Higher Education Institutions

The primary revenues in this report refer to general fund support and tuition and fee revenue. As has historically been the case, higher education funding is a shared responsibility, the Commonwealth provides appropriations from its tax revenue for Virginia public higher education operations annually and students and their families provide much of the remaining revenues through tuition. Chart 3 shows that higher education's share of state general fund support has fallen from 18% in FY89 to 12% in FY04.

Chart 3

#### Percent of General Fund Support to Public Higher Education in Virginia



Note: Higher Education includes all public colleges and universities as well as affiliated and related agencies.

FY04 appropriations do not include general fund reductions made in October 2002.

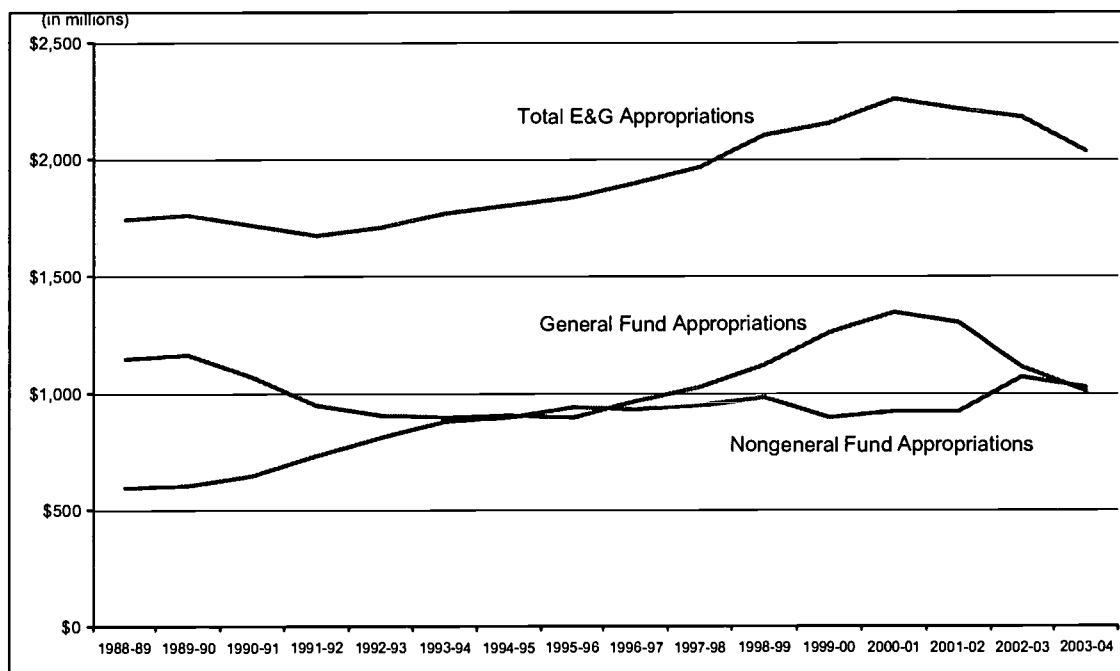
Source: Appropriation Acts of Chapter 668 and Chapter 899.

Chart 4 depicts the trend of total Educational and General (E&G) appropriations. It is comprised of general fund and nongeneral fund appropriations, of which tuition and fee revenues make the largest share systemwide from FY89 to FY04. After adjusting for inflation over the period, general fund appropriations decreased by 12%, nongeneral fund appropriations increased by 74% and total E&G appropriations increased by 17% from FY89 to FY04. This means that Virginia public institutions have more resources for operations now than they had 15 years ago by about \$296 million. However, this increase was primarily generated from nongeneral funds, i.e. the tuition revenue, not from state support.

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## Chart 4

### Appropriation History of Educational and General Programs in Virginia (in constant dollars)



**Notes:**

- (1) FY03 and FY04 appropriations are adjusted for general fund reductions and additional tuition revenue by 2003 General Assembly.
- (2) Exclude lease payments that went into institutional appropriations, and funding for unique military activities, apprenticeship and affiliates.
- (3) Include 16 public institutions and VCCS only.

Source: Appropriation Acts.

	% Change by Time Period					
	1988-91	1991-94	1994-97	1997-01	2001-04	1988-04 Change
General Fund	-7%	-16%	8%	39%	-25%	-12%
Nongeneral Fund	10%	36%	6%	-2%	12%	74%
Total E&G	-1%	3%	7%	19%	-10%	17%

	E&G Appropriations						
	1988-89	1991-92	1995-96	1998-99	2001-02	2003-2004	1988-04 Change
General Fund	\$1,149,052,384	\$945,794,744	\$897,932,900	\$1,121,139,647	\$1,302,560,979	\$1,007,589,931	(\$141,462,453)
Nongeneral Fund	\$588,451,286	\$727,687,634	\$938,680,719	\$980,620,289	\$917,220,949	\$1,026,258,330	\$437,807,044
Total E&G	\$1,737,503,670	\$1,673,482,378	\$1,836,613,619	\$2,101,759,936	\$2,219,781,928	\$2,033,848,261	\$296,344,591

It is worth noting that during the period of FY97 and FY01, general fund support increased by 39% while nongeneral funds decreased by 2%. This was the result of the tuition freeze and tuition rollback implemented during that period. As a result, the Commonwealth supplanted millions of foregone nongeneral fund dollars with general fund appropriations to the institutions in an attempt to keep them "whole."

It is also worth noting that during the economic recessions of FY91-94 and FY01-FY04, general fund support was reduced by 16% and 25% respectively, and nongeneral fund support was increased by 36% and 12%<sup>4</sup> respectively. This means students and their families were helping offset the general fund reductions from the state through increases in tuition.

<sup>4</sup> Does not include the anticipated annual tuition increases in FY04.

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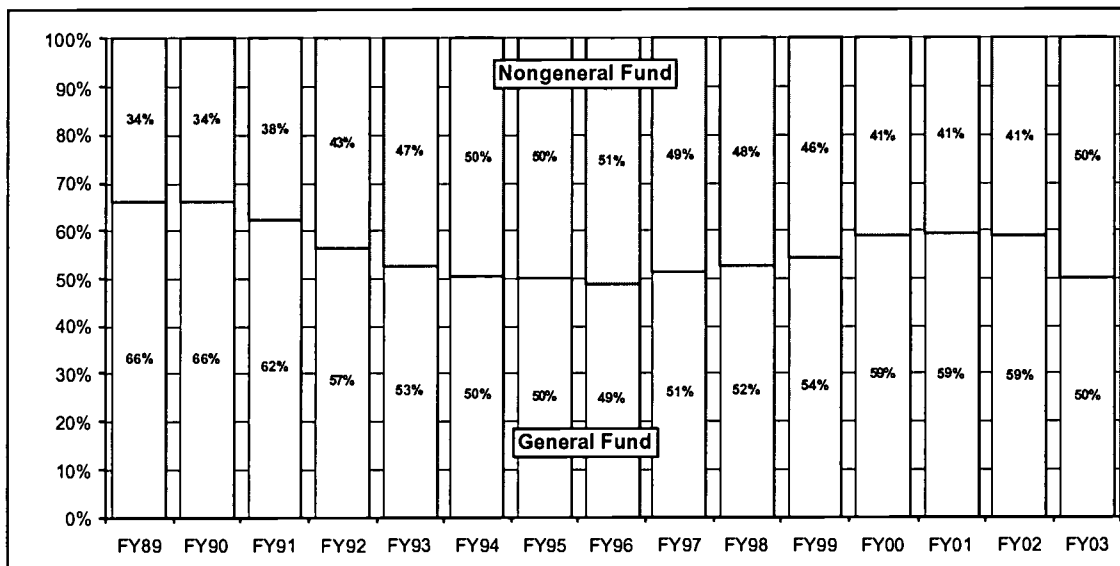


However, the funding changes for individual institutions varied greatly over this period. After adjusting for inflation, ten institutions had their general fund support reduced by 1% to 38% while six institutions experienced increased general fund support of 1% to 39% from FY89 to FY04. Individual institutions' data are in Appendix A.

Chart 5 shows the systemwide cost sharing between general fund and nongeneral fund appropriations from FY98 to FY03. The chart indicates that there was a swing of 16 percentage points from general funds to nongeneral funds between FY89 and FY03. The state provided the highest share of the higher education cost at 66% in FY89 and had the lowest cost share at 49% in FY96. The share of general fund increased between FY97 and FY02, but the current economic recession has forced the state to cut its share by 9 percentage points within a year and reduced the general fund share to the FY95 level, or at 50%. Individual institutions' data are in Appendix B.

**Chart 5**

**Systemwide Fund Splits for Educational and General Program Appropriations**

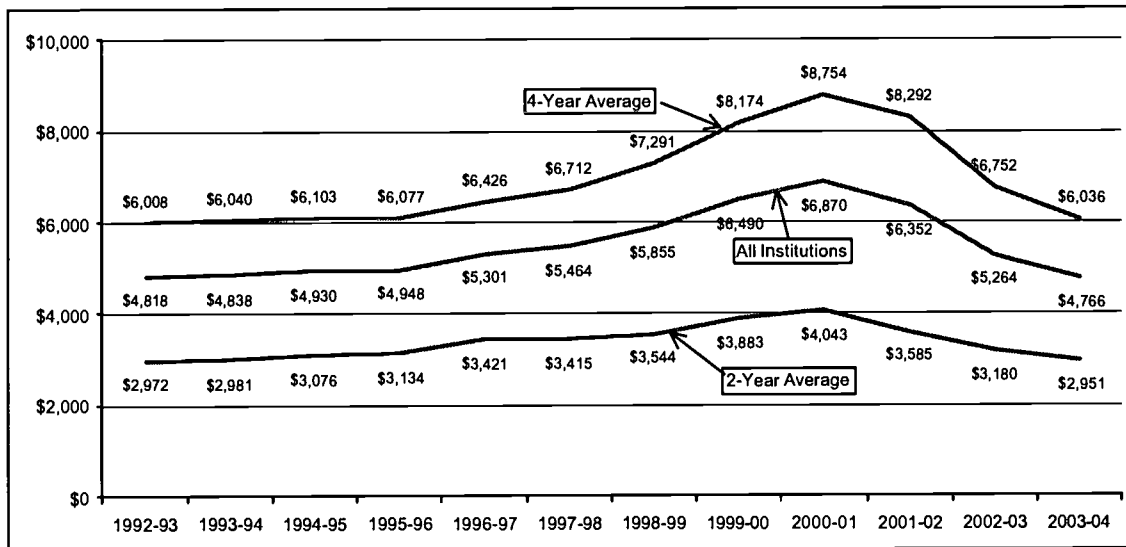


Note: FY03 includes the October 2002 budget reduction and estimated tuition revenue generated from FY03 annual and mid-year increases.  
 Source: Appropriation Acts and SCHEV tuition survey.

**Observation:** Virginia higher education funding is somewhat of a paradox. General fund support fluctuates based on changing economic conditions. Tuition revenue is used to offset general fund reductions and help balance overall support. Since these swings occur with some regularity, i.e. coincide with the economic cycles, one way to mitigate the impact of economic downturns, is to implement a higher education reserve fund. Such a safeguard would help to shield students and their families from skyrocketing tuition increases during difficult economic times. As an illustration, if the institutions had been able to deposit 1% of their tuition revenue each year into a protected trust fund beginning in FY92, the fund would have grown to more than \$102 million (assuming interest earnings at no more than the rate of inflation) by FY03 – more than enough to have covered higher education's share of the October 2003 budget reductions. A summary table detailing this calculation is included in Appendix C.

The amount of funds appropriated per full-time equivalent (FTE) student is a measure that adjusts for increases in enrollment and funding over time. This measure provides a better benchmark than a simple total dollar analysis, as it demonstrates how much funding is available per student. The Commonwealth implemented a policy in FY93 that required out-of-state students to pay 100% of the average cost of education. Currently most of the institutions charge out-of-state students more than 100% of the cost of education and as a result, the state only subsidizes in-state students. Therefore, this report focuses on general fund support per in-state student.

**Chart 6**  
**History of General Fund Support per In-State FTE Student for E&G Program in Virginia**  
 (in constant dollars)



Notes:  
 (1) FY03 and FY04 general fund appropriations have been adjusted for October 2002 budget reductions.  
 (2) Exclude lease payments that went into institutional appropriations, and funding for unique military activities, apprenticeship and affiliates.  
 (3) Include 16 public institutions and VCCS.  
 (4) VCCS in-state FTE is projected based on the FY02 actual with annual increases of 3.67% in FY03 and 3% in FY04.  
 Source: Appropriation Acts and SCHEV historical enrollment data.

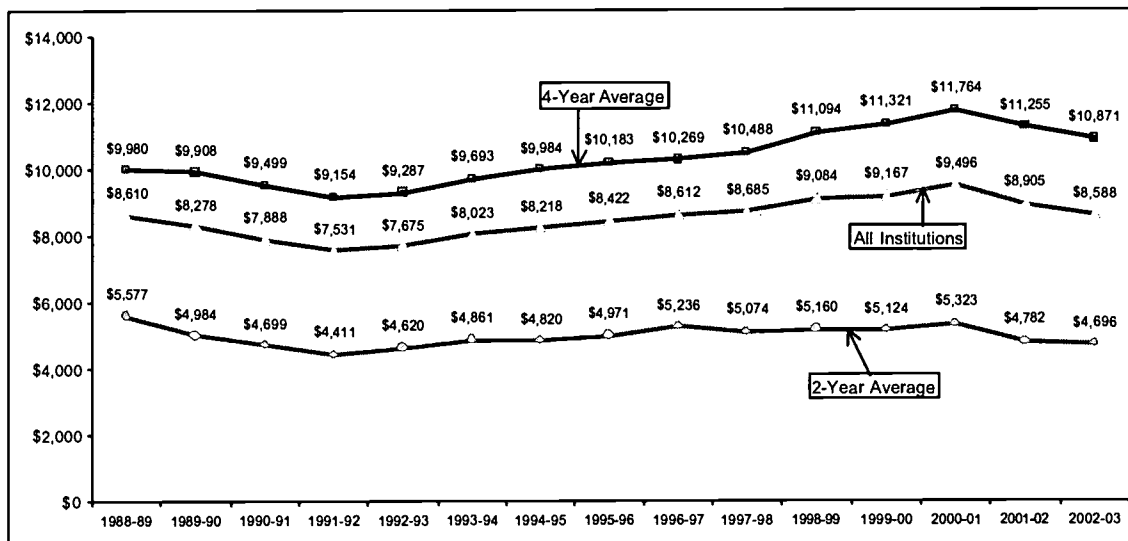
Chart 6 depicts the general fund support per in-state FTE student from FY93 to FY04 systemwide. After adjusting for inflation, general fund support per in-state FTE student increased by less than 1% on average at the 4-year institutions, decreased by less than 1% at the two-year institutions, and decreased overall by 1% between FY93 and FY04. The data imply that, on average, in-state students are currently receiving slightly less state subsidy for the cost of education than they did in FY93. However, the chart also shows that during the booming economic period of FY97 and FY01, the state increased its support by an average of almost to \$1,600 per in-state FTE student. This was a 43% increase over the state support per in-state FTE student in FY93. Unfortunately, the current economic recession forced the state to cut back its support and the general fund support per in-state FTE student retreated close to the FY93 level, which was a low point in history. This trend analysis demonstrates how quickly the benefits of a recovery can be eliminated by an economic downturn and the enormous stress put on the system to respond quickly without sufficient planning.



The changes in general fund support per in-state FTE student varied at the institutional level over this period. Among the 16 public institutions and the Virginia Community College System, thirteen institutions had increased general fund support per in-state student ranging from 3% to 99% while the remaining four institutions saw real reductions in general fund support per in-state FTE ranging from -1% to -24% between FY93 and FY04. Individual institutions' data are in Appendix D.

Chart 7 presents the history of total E&G program support per total FTE student. This measure is a complementary analysis to Chart 6 except it measures the total funding (general funds and nongeneral funds) per total full-time equivalent student (including in-state and out-of-state students). The chart shows that after adjusting for inflation, the average total E&G funding per total FTE student increased at the four-year institutions, but decreased at the two-year and all institution levels from FY89 to FY03. All four-year institutions but one experienced an increase in their total E&G support per FTE student. Individual institutions' data are in Appendix E. The decrease in funding at the two-year level can be attributed to the significant enrollment growth in the Virginia community colleges in the past five years.

**Chart 7**  
**History of Total Educational and General Program (E&G) Support Per Total FTE Student**  
**(General Fund and Nongeneral Fund)**  
 (in constant dollars)



Notes:  
 (1) FY03 appropriations are adjusted for general fund reductions and additional tuition revenue by 2003 General Assembly.  
 (2) Exclude lease payments that went into institutional appropriations, and funding for unique military activities, apprenticeship and affiliates.  
 (3) Include 16 public institutions and VCCS.  
 (4) VCCS FY03 FTE is projected at an increase of 3.67% over the FY02 actual.  
 Source: Appropriation Acts and SCHEV historical enrollment data.

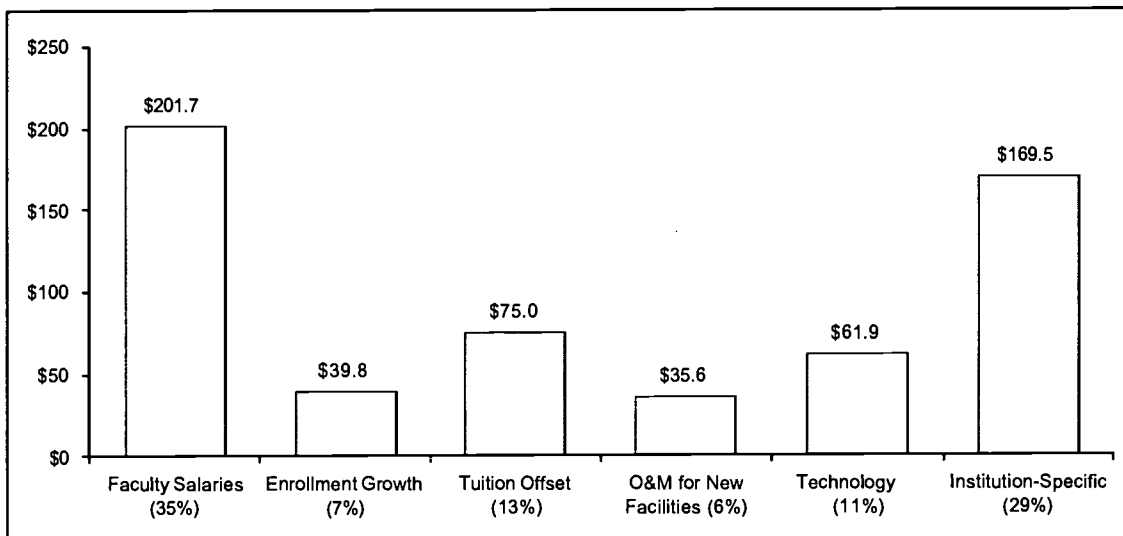
The charts above depict the funding trends between FY89 and FY04. These changes indicate that the condition of higher education funding in Virginia, general fund support in particular, is greatly affected by the condition of state's economy. As shown in Chart 1, the Commonwealth provided large incremental increases in general fund to higher education between FY97 and FY01, a period of great economic growth.

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Chart 8 presents the major budget categories that received incremental funding over this period. The chart shows that faculty salaries accounted for the largest share of the incremental general fund, clearly demonstrating that the Commonwealth gave funding priority to its 60<sup>th</sup> percentile goal for faculty at Virginia public institutions. Further, faculty salary funding is a mandatory expense; hence, 35% of the increase in funds was earmarked and could not be used for anything but salary increases. This is an important fact when examining increases in institutional funding.

Institution-specific initiatives had the second largest share of funding increases. This indicates that the Commonwealth did not only provide incremental general fund for statewide initiatives but also provided additional general fund for institutions for their specific initiatives during this period. The tuition offset was the third largest share of the increased funding, resulting primarily from the general fund supplement of \$75 million foregone nongeneral fund revenue for the tuition rollback in FY00.

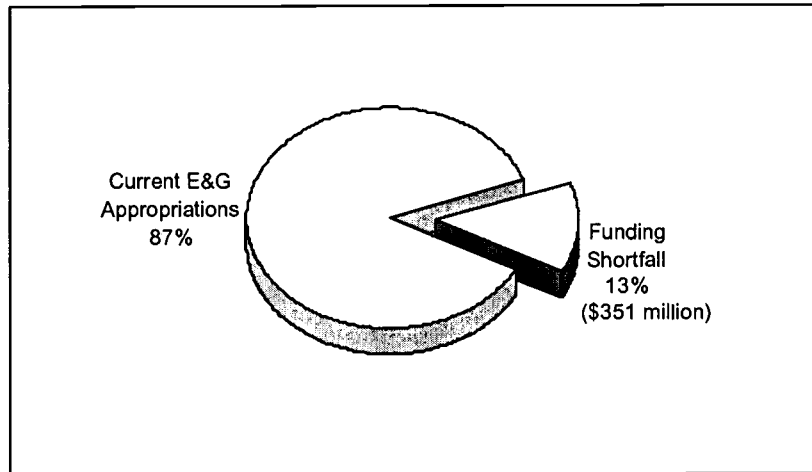
**Chart 8**  
**Incremental General Fund for Higher Education between FY97 and FY01**  
(in millions)



Source: Based on biennial budget summaries, both original and amended, prepared jointly by the staff of House Appropriations and Senate Finance.

As stated earlier, in FY01, the Joint Subcommittee on Higher Education Funding Policies developed new funding guidelines using national data as benchmarks for Virginia public institutions. The guidelines estimated that there was a funding shortfall of approximately \$200 million systemwide in Virginia for FY01. This funding shortfall has increased to an estimate of \$351 million in total for FY03 due to rising enrollments and significant reduction in general fund support since then. Chart 9 shows that the estimated funding shortfall in FY03 accounts for 13% of the total higher education funding needs derived by the higher education funding guidelines. With the exception of four institutions that are estimated to meet the funding guidelines in FY03, the funding shortfall varies by institution and ranges from 8% to 16% of the total funding needs. Individual institutions' data are in Appendix F

**Chart 9**  
**Estimated Higher Education Funding Shortfall in FY03**  
**as a Percentage of Total Higher Education Funding Needs**



Source: SCHEV.

**Observation:** The \$351 million funding shortfall systemwide is more than the total E&G appropriations to the University of Virginia, or the combined E&G appropriations of George Mason University and Old Dominion University in FY03. Given the current state economic situation, it is unlikely the Commonwealth will be able to increase general fund support to higher education in the near future. SCHEV estimates that it would require an average annual tuition increase of 10.4% for three years to generate the additional \$351 million to fully cover the funding shortfall. With economic cycles expected to continue, such an approach, coupled with an education reserve fund, could provide institutions with the ability to raise tuition at reasonable rates capped at a ceiling equal to base adequacy needs. Once the benchmark is reached, then tuition could be capped at inflation, with a tuition reserve fund set aside.

### Virginia's National Ranking In Higher Education Funding

State-to-State Comparisons: State-to-state comparisons are important as they provide a variety of benchmarks and important context about higher education funding. National rankings allow policymakers to compare an individual state's support to higher education with that of other states. Table 2 shows Virginia's state appropriations to higher education per \$1,000 personal income and per capita and its relative national ranking. Both measures assess the costs borne by the state taxpayers to support higher education, and the measure of state effort to support higher education. The table shows Virginia ranked at the bottom third nationally during most of the 1990s, due in part to the impact of the 1990 economic recession. Virginia gradually improved its ranking to 26<sup>th</sup> in per \$1,000 personal income and 18<sup>th</sup> in per capita by FY01 -- levels

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comparable to those reached in FY90. However, the impact of the current recession and related budget reductions to institutions becomes apparent as the Commonwealth's ranking began to fall in FY02 to 23<sup>rd</sup> and drops further in FY03 to 30<sup>th</sup>.

**Table 2**  
**State Appropriations to Higher Education**  
**per \$1,000 Personal Income and Per Capita**

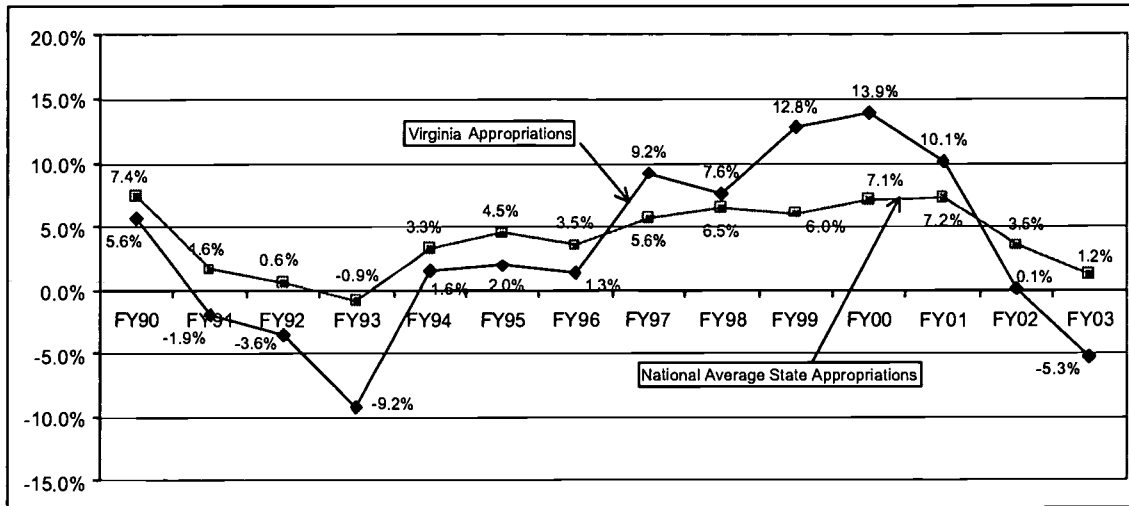
Year	Per \$1,000 Income			Per Capita		
	National Median	Virginia	Virginia Ranking	National Median	Virginia	Virginia Ranking
1989-90	\$ 8.53	\$ 8.91	25	\$ 160.59	\$ 176.06	13
1990-91	9.39	9.34	33	165.11	176.77	17
1991-92	8.62	8.43	34	161.51	166.49	22
1992-93	8.21	7.40	37	156.64	148.71	37
1993-94	7.96	7.03	37	160.22	148.90	36
1994-95	8.02	6.99	37	166.41	150.50	37
1995-96	8.46	6.65	39	173.37	149.69	41
1996-97	8.30	6.76	38	180.58	161.97	36
1997-98	8.58	6.86	39	197.52	172.99	36
1998-99	8.20	7.35	33	194.37	190.84	29
1999-00	7.64	7.35	30	208.00	215.00	20
2000-01	7.57	7.57	26	220.54	232.92	18
2001-02	7.50	7.25	28	225.52	233.95	23
2002-03	7.33	6.48	35	221.94	211.92	30

Source: Grapevine.

Chart 10 presents the annual percent change of state appropriations to higher education. The data show that Virginia's annual changes in state appropriations to higher education tended to be more dramatic than the national average changes, falling sharply in FY90-FY93 and FY02-FY03, but also recovering strongly between FY96 and FY01. Once again, the appropriation changes reflect the Commonwealth's practice of significantly reducing higher education support during recessions and combining tuition controls with significant increases in state support during periods of economic growth.

**Chart 10**

**Annual Percent Change of State Appropriations to Higher Education**



Notes:  
 (1) State appropriations include student financial aid.  
 (2) State appropriations do not include mid-year budget reductions in 2002.  
 Source: Grapevine.

Table 3 shows Virginia's rank on incremental changes in state funding to higher education over three time periods. The data reveal that during the 1990 economic recession between FY89 and FY94, the Commonwealth reduced its support to higher education, resulting in a funding change that ranked at or near the bottom both nationally and among the states of Southern Region Education Board (SREB). However, during the economic boom years of FY94 and FY02, Virginia increased its state support of higher education by 72%. Based on this increase in state funding, Virginia ranked 4<sup>th</sup> nationally and 2<sup>nd</sup> among the SREB states. Unfortunately in order to balance the state budget in the current economic recession, the state reduced its support to higher education by 5.3% from FY02 to FY03. This was the 4<sup>th</sup> largest percentage reduction (behind Idaho, Missouri and Oregon) in the United States and the largest in the 16 SREB states. Incremental state funding changes by state are in Appendices G and H.

**Table 3**

**Virginia Ranking of Incremental Changes in State Funding to Higher Education**

VA State Funds	Incremental Amount	Percent Change	Ranking	
			National	SREB
FY89-FY94	(\$86,619,000)	-7.9%	48	16
FY94-FY02	\$682,308,000	71.9%	4	2
FY02-FY03	(\$86,176,000)	-5.3%	47	16

Note: Southern Region Education Board (SREB) is composed of 16 states.  
 State funding includes student financial aid.  
 State funding does not include mid-year budget reductions in 2002.  
 Source: Grapevine.

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Table 4 provides additional state rank comparisons based on another national data source. The first 3 categories demonstrate the magnitude of Virginia's system of higher education based on funding (from both the general fund and tuition) and enrollment size. The last 3 categories rank Virginia's support for higher education on a funding per FTE student basis.

It should be noted that 37 states also had local appropriations to higher education, primarily for the operation of community colleges in FY01 based on IPEDS data. However the share of local appropriations varied greatly ranging from 0.2% to 15.5% of the combined funding sources of state, local and tuition. Due to the differences in funding history and funding policies, this report does not include local appropriations for comparisons, but it recognizes that local appropriations have an important role in higher education funding.

**Table 4**  
**Virginia Primary Revenue Support for Higher Education<sup>1,2</sup>**

	National Ranking		
	FY89	FY96	FY01
Total State Funding	9	18	10
Total Tuition Revenue	8	8	11
Total FTE Enrollment	10	10	11
Per FTE State Funding	24	42	28
Per FTE Tuition Revenue	13	11	20
Per FTE Primary Revenue	22	35	26

Notes:

(1) Primary revenue is the sum of state appropriations and tuition revenue.

(2) Two-thirds of states also have local appropriations to higher education that are not presented in this table. Local appropriations are primarily for operations of community colleges.

Source: IPEDS.

The data show that Virginia ranked near the top ten states nationally in terms of total state funding, total tuition revenue and total student enrollment in higher education from FY89 to FY01 with the exception of total state funding in FY96. Virginia clearly has one of the largest higher education systems in the country. However, Virginia's state funding per FTE student ranked 24<sup>th</sup> and 28<sup>th</sup> in FY89 and FY01 respectively, but ranked 42<sup>nd</sup> in FY96, while still experiencing effects of the first economic recession.

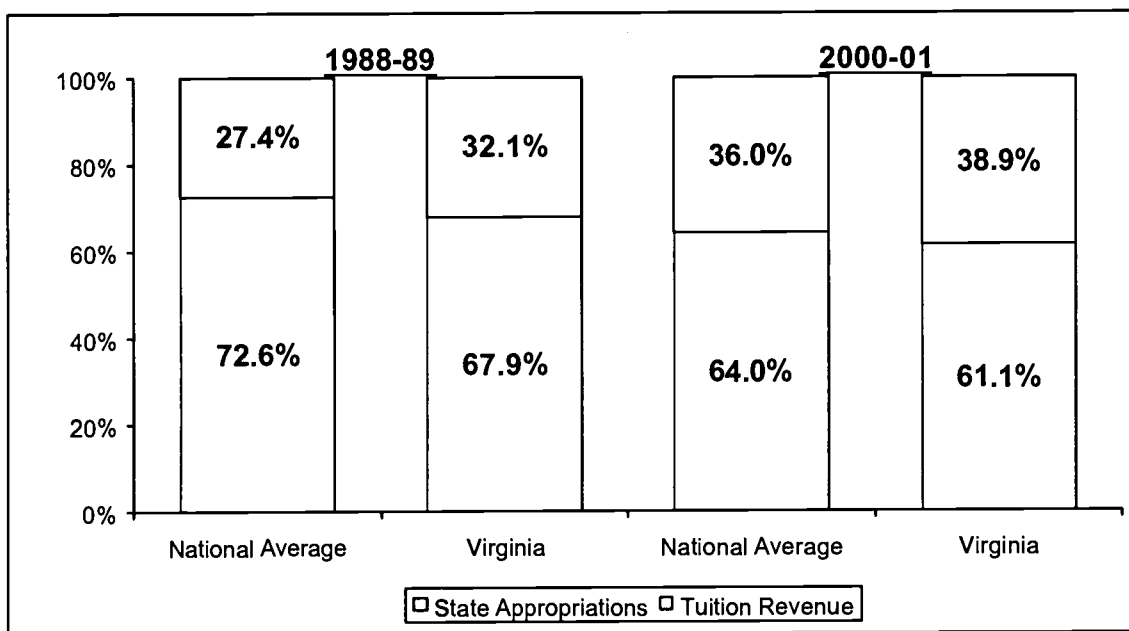
Virginia's tuition revenue per FTE student was ranked in the top quartile in all three periods. This reflects the state's past funding policies of "high tuition and high aid" for higher education. Virginia's rank in tuition revenue per FTE student in FY01 fell as a result of the tuition rollback that year. Based on a lower than average rankings on state funding per student and a higher than average rankings on tuition revenue per student, Virginia's rank on primary revenue (the combination of state support and tuition



revenue) is near the mid point of the states. Detailed top ten states and Virginia rankings are in Appendix I.

As has been previously noted, higher education funding is considered a shared responsibility between the state and students and their families. Chart 11 presents a comparison of the share of cost by state appropriations and tuition revenue between the national average and Virginia in FY89 and FY01. The data show that the state share is decreasing while the tuition share is increasing both nationally and in Virginia. In Virginia, the state share was below the national average while the student's share, i.e. tuition, was above the national average in both FY89 and FY01. Interesting to note is, that despite the Commonwealth's investments in incremental general fund support to Virginia higher education from FY97 and FY01, the Commonwealth's share was still below the national average by FY01. However, the gap was narrowed in both state and tuition shares between the national average and Virginia from 5% to 3%. Cost shares by state are in Appendix J.

**Chart 11**  
**Cost Shares between State Funding and Tuition Revenue**



Source: IPEDS Finance.

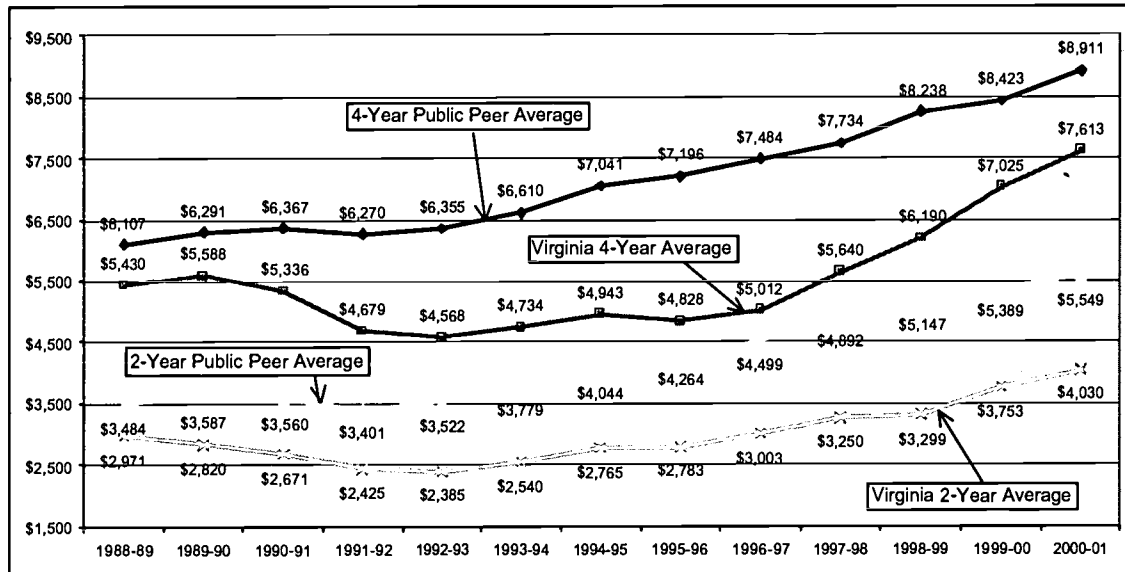
Peer Comparisons on funding sources: Each Virginia institution has 18 to 24 national peers that are similar in institutional missions, program offerings, student enrollments, and finance. Peer comparisons provide benchmarks and measures that are more pertinent to individual institutions based on their particular characteristics. This report presents peer analyses at the four-year and two-year levels. Individual institutions' data are in Appendix K.

*State Funding per FTE Student.* Chart 12 presents the average state appropriations per FTE student at Virginia institutions and their public peer institutions at both four-year

and two-year levels. The data show that, on average, Virginia institutions at both four-year and two-year levels consistently received less state support than their public peers. The funding gap for four-year institutions was 12% in FY89, increased to 49% in FY97, and narrowed to 17% in FY01. The funding gap for two-year institutions was 17% in FY89 and kept widening to 38% in FY01.

**Chart 12**

**State Appropriations per FTE Student  
Virginia Public Institutions and their Public Peers**



Notes:

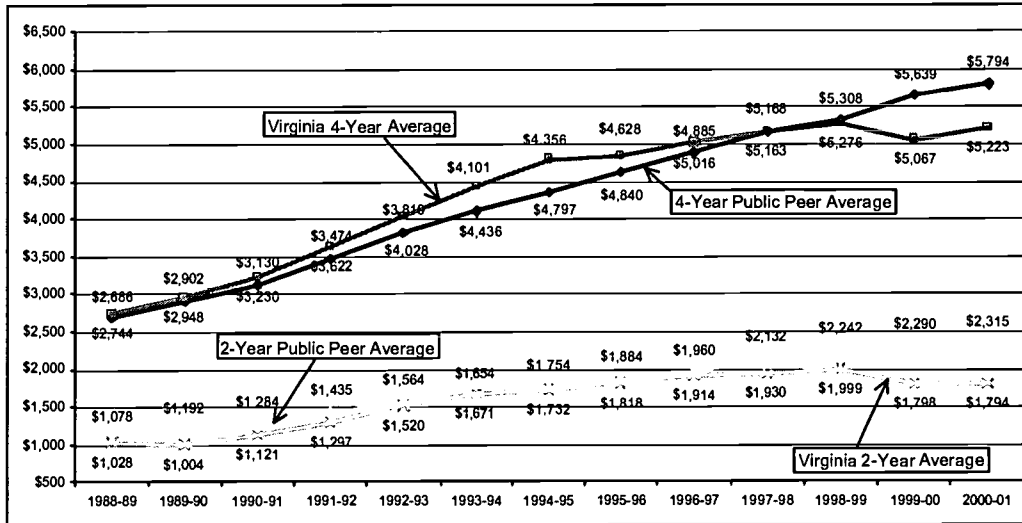
- (1) CWM enrollment was reduced by 100 FTE for VIMS.
  - (2) State appropriations include local appropriations in the two-year level analyses.
- Source: IPEDS.

*Tuition and Fee Revenue per FTE Student:* Chart 13 shows the average tuition and fee revenue per FTE student at Virginia institutions and their public peer institution at both four-year and two-year levels. On average, at the Virginia four-year institutions, tuition and fee revenue per FTE student was about the same level as the peer average in FY89. However, due to the first economic recession, the average tuition and fee revenue at Virginia four-year institutions increased at a higher rate than the average at the peer institutions from FY91 to FY97. As a result of the tuition freeze in the late 1990s and the tuition rollback in FY2000, the average tuition and fee per FTE at Virginia four-year institutions dropped below the peer's average between FY00 and FY01. The Virginia two-year institution average also started at the about same level as the peer's average in FY89, but it did not exceed its peer average over time except for FY94. And, again, as a result of the tuition freeze in the late 1990s and the tuition rollback in FY2000, the average tuition and fee per FTE student at Virginia two-year institutions went significantly below the peer's average between FY00 and FY01.

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### Chart 13

Tuition and Fee Revenue per FTE Student  
Virginia Public Institutions and their Public Peers

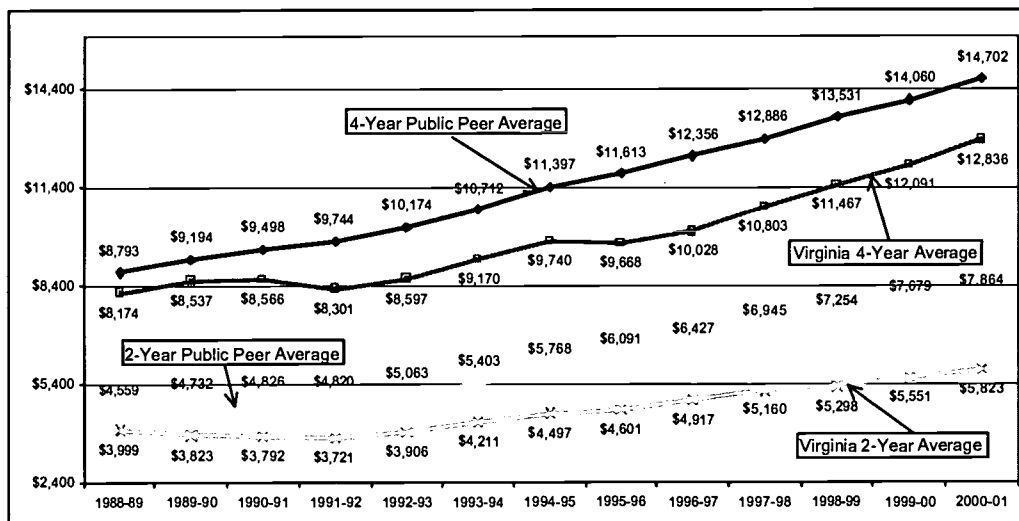


Note: CWM enrollment was reduced by 100 FTE for VIMS.  
Source: IPEDS.

**Primary Revenue per FTE Student:** Chart 14 shows the average primary revenue per FTE student at Virginia institutions and their public peer institutions at both four-year and two-year levels. The primary revenue is the sum of state appropriations and tuition and fee revenue. The data show that, on average, Virginia institutions at both four-year and two-year levels received less primary revenue per student than their public peers. The funding gap for four-year institutions was 8% in FY89, expanded to 23% in FY97 and narrowed to 15% in FY01. The funding gap for two-year institutions was 14% in FY89 and continued widening to 35% in FY01.

### Chart 14

Primary Revenue per FTE Student  
Virginia Public Institutions and their Public Peers



Notes:  
(1) Primary revenue is the sum of state appropriations and tuition revenue.  
(2) CWM enrollment was reduced by 100 FTE for VIMS.  
(3) State appropriations include local appropriations in the two-year level analyses.  
Source: IPEDS.

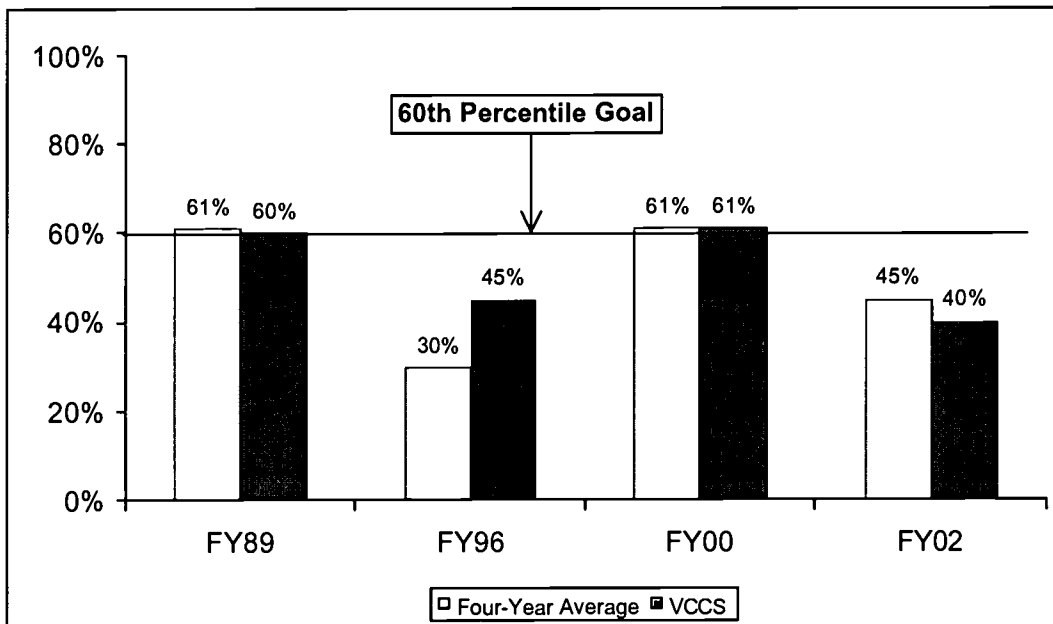
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**Observation:** If Virginia higher education institutions were provided with additional funding of approximately \$350 million, in any combination of the state support and the tuition revenue, Virginia would raise its national ranking to among the top ten states and bring institutions to their public peers' average in terms of total funding per FTE student in FY01.

*Faculty Salaries:* The Commonwealth has had a funding policy to raise the average faculty salaries at Virginia institutions to the 60<sup>th</sup> percentile of their peers since the 1986-88 biennium. Chart 15 presents the ranking of average Virginia faculty salary compared to peers by institution type from FY89 to FY04. The chart shows that the overall average Virginia faculty salary reached the 60<sup>th</sup> percentile goal in FY89. However, Virginia's ranking fell below the goal in FY96 due to the first economic recession and subsequent budget cuts. When the state economy began improving in the late 1990s, the Commonwealth's funding priority was given to faculty salaries again and reached the 60<sup>th</sup> percentile goal for the second time in FY00. Unfortunately, due to the current economic recession and the resulting budget shortfall, Virginia faculty salaries once again fell below the goal in FY02. Individual institutions' data are in the Appendix L.

**Chart 15**

**Ranking of Average Virginia Faculty Salary to Peers by Institution Type**



**Notes:**

- (1) VCCS ranking was based on simple peer average from FY89 to FY01 and weighted average in FY02.
- (2) Richard Bland College is excluded. Its ranking to peers was 84% in FY89, 47% in FY96, 62% in FY00 and 55% in FY02.

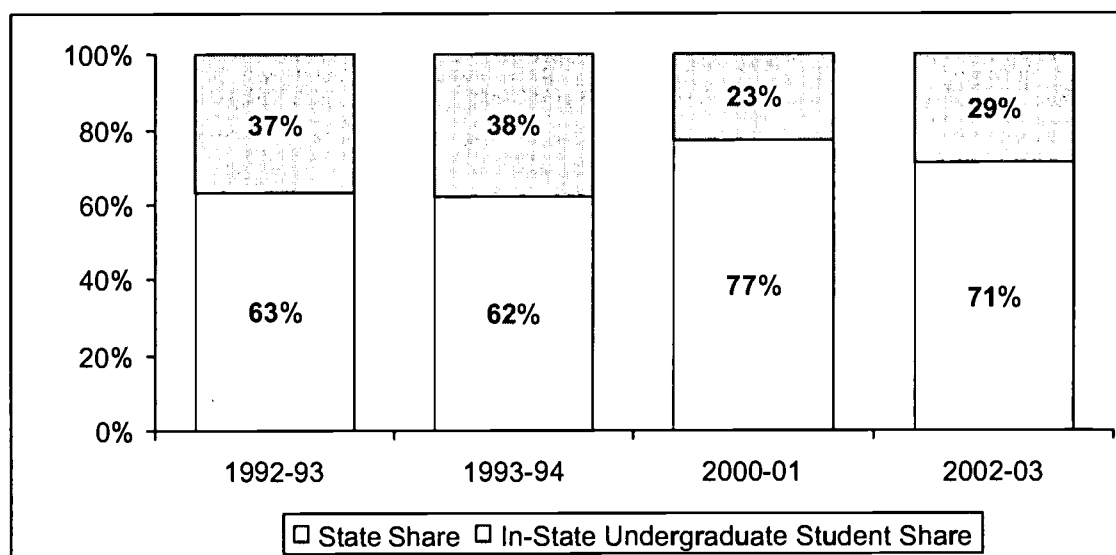
Source: AAUP.

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## Cost Sharing Policy for Virginia In-State Undergraduate Students

Traditionally, the Commonwealth has supported higher education based on a funding policy of high tuition and high aid because it is the most effective and efficient use of state taxpayer funds. The policy is based on the premise that those who can afford to attend college will pay and those who cannot receive ample financial aid. However, the state has continued restructuring its cost sharing policy several times in the past 15 years based on concerns about college affordability and resource availability. Since FY93, the Commonwealth has implemented a tuition policy that out-of-state students must pay 100% of cost of their education and the state; therefore, only subsidizes in-state students. In addition, the state imposed a freeze on in-state undergraduate tuition from FY97 to FY02. Chart 16 shows the costs shared between in-state undergraduate student and the state in selected periods since FY93. The costs include tuition and instructional fees (known as mandatory E&G fees) and state general fund appropriations.

**Chart 16**  
**Education Costs Shared Between In-State Undergraduate Students and the State**



Note: FY03 is an estimate and includes mid-year surcharges.

Source: SCHEV.

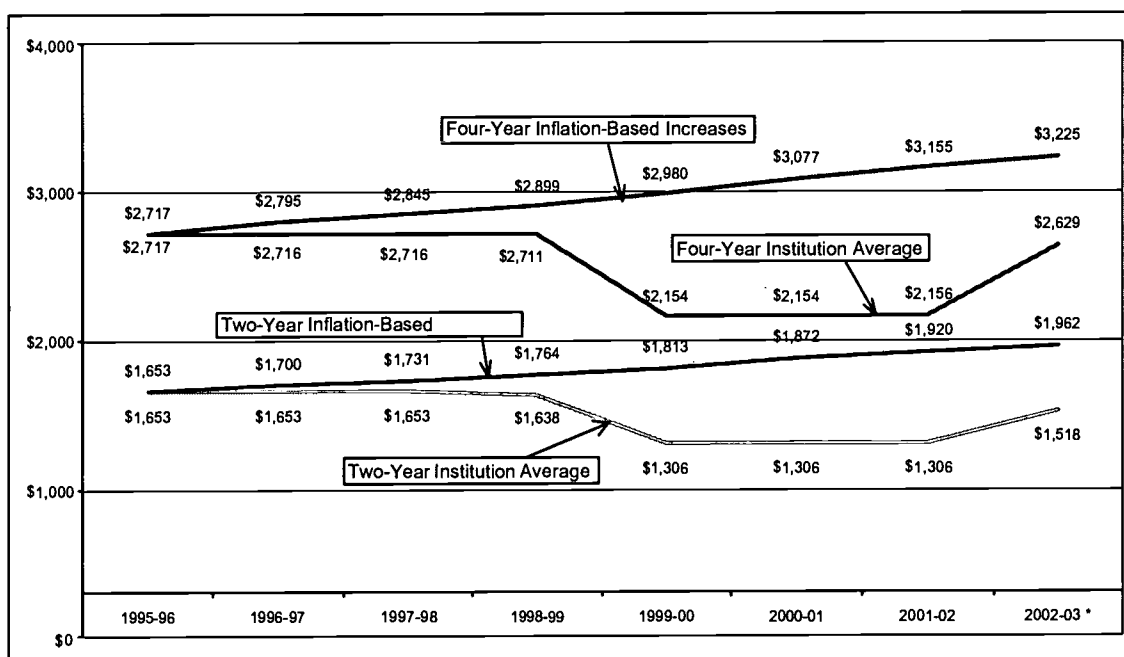
The data show that since FY93, the largest percent share of the cost by in-state undergraduate students was 38% in FY94. This was the result of the first economic recession and the state budget reductions. The largest percent share of the cost by the state was 77% in FY01. This was the result of not only the tuition freeze, but also the tuition rollback in FY00. However, in FY03, hit by the second economic recession, the state lifted its 7-year tuition restraints on in-state undergraduate tuition, and the cost share supported by in-state undergraduate tuition increased to 29%. The cost shared by in-state undergraduate students will probably continue to grow in the short term as Virginia, along with the rest of the nation, continues to experience sluggish economic growth. Individual institutions' data are in Appendix M.

**Observation:** While the Commonwealth and students and their families have shared the cost of higher education over the past 15 years, the proportion of the costs borne by both parties has varied significantly – based on the condition of the economy and resulting policies and initiatives.

Chart 17 compares the average tuition and E&G fees (the focus of the Commonwealth's tuition policy) from FY96 to FY03 with hypothetical inflation-indexed tuition increases over the same period for in-state undergraduate students. There is no doubt that the tuition freeze and rollback actions have made Virginia public higher education more affordable today than it was 8 years ago. Students have benefited from the state tuition restrictions as they paid less than inflation-indexed tuition during this period. However, the chart also shows the gap in tuition is narrowed in FY03 as a result of lifting the tuition freeze.

**Chart 17**

**Average Full-Time In-State Undergraduate Tuition and Mandatory Educational and General Fees (Excluding Technology Fees)**



Note: \* Includes mid-year tuition increases.  
Source: SCHEV.

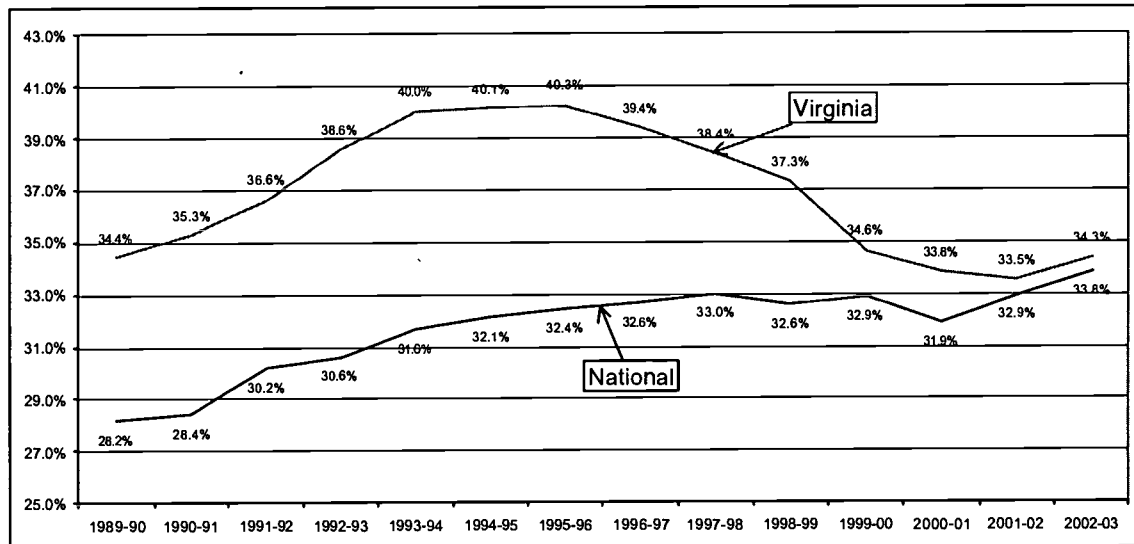
**Observation:** With tuition restraints removed, tuition will increase again in FY04. As a result, the gap between an inflation-indexed trend line and actual charges will shrink. Will the next decade be characterized by more gradual tuition increases or will the tuition pendulum continue to swing unpredictably back and forth? Is there a way to eliminate erratic tuition increases?

## Virginia National Ranking in Tuition Charges and College Affordability

Chart 18 shows the affordability of higher education in Virginia as well as nationally. *Per capita disposable income* is a measure of available income for personal spending after payments of income tax, donations and other fees to the government. The average cost in Chart 18 includes tuition, all mandatory fees, and room and board. The chart demonstrates that Virginia's share of per capita disposable income for higher education at four-year institutions has been higher than the national average at least since FY89. However, the share of college costs relative to disposable income nationally continued to increase from FY90 to FY03, while Virginia's cost share was gradually reduced to a historically low level as a result of tuition restraints and the rollback from FY97 to FY02. Even with the FY03 tuition increases, Virginia's public higher education is more affordable today than it was in most of the 1990s. The gap in cost share to disposable income between Virginia and the national average was 22% in FY90, widened to 26% in FY93, and narrowed to 1% in FY03.

**Chart 18**

### Average Public 4-Year Total Undergraduate Charges As a Percent of Per Capita Disposable Income



Note: Cost includes tuition and mandatory fees, and room and board. Excludes mid-year tuition increases.  
Source: College Board, US Bureau of Economic Analysis, and SCHEV.

Table 5 presents Virginia's ranking in tuition and fee charges and incremental changes by institution type over three periods. The data show that the incremental changes in tuition at all levels of Virginia institutions were ranked high nationally as well as among SREB states from FY89 to FY94. Clearly, this was the result of the reduction of state support to higher education and the increased cost share to students during the first economic recession during this period. With the advent of tuition control actions, tuition at all Virginia institutions was reduced from FY94 to FY02. This resulted in Virginia being ranked at the bottom nationally and among SREB states in terms of increases to tuition and fees over this period. However, with the lifting of the tuition freeze in FY03, Virginia's one-year increase in tuition and fees was ranked significantly higher than the

mid point of the states for the flagship and comprehensive categories and within the top 10 for the community colleges.

**Table 5**

**Virginia Ranking of Incremental Changes in Tuition and Fees to Resident Undergraduates by Institution Type**

Virginia Institution	FY89-FY94				FY94-FY02				FY02-FY03			
	Incremental Amount	Percent Change	% Chng Rank		Incremental Amount	Percent Change	% Chng Rank		Incremental Amount	Percent Change	% Chng Rank	
			National	SREB			National	SREB			National	SREB
Flagship Universities	\$1,824	72.2%	11	1	(\$114)	-2.6%	49	16	\$359	8.5%	21	4
Comprehensive Colleges and Universities	\$1,348	57.0%	15	4	\$127	3.4%	45	15	\$354	9.2%	22	7
Community Colleges	\$541	69.4%	11	4	(\$161)	-12.2%	47	16	\$145	12.5%	8	3

Note: Southern Regional Education Board (SREB) is composed of 16 states. FY02-03 figures and changes do not include mid-year tuition increases at Va institutions.

Source: Washington State annual tuition surveys.

Despite fluctuations in tuition increases over time, Virginia's rank among the states on tuition and fee charges by institutional category has improved notably since 1990. Table 6 shows that Virginia's ranking for tuition and fee charges dropped from 8<sup>th</sup> in FY90 to 20<sup>th</sup> in FY03 in the category of major public universities, from 2<sup>nd</sup> in FY90 to 12<sup>th</sup> in FY03 in the category of public colleges and universities, and from 28<sup>th</sup> in FY90 to 44<sup>th</sup> in FY03 in the category of public community colleges. The tuition and fees at the Virginia community college system have ranked at the bottom among the states since FY01.

**Table 6**

**Tuition and Fees For In-State Undergraduate Students Rank Among All States <sup>(1)</sup>**

	1989-90	1993-94	2000-01	2001-02	2002-03
Major Public Universities	8th	5th	18th	18th	20th
University of Virginia					
Public Colleges and State Universities	2nd	2nd	11th	12th	12th
George Mason University					
Old Dominion University					
James Madison University					
Longwood University					
Radford University					
Public Community Colleges	28th	19th	41st	43rd	44th

<sup>(1)</sup> Based on a survey conducted by the Washington State Higher Education Coordinating Board. Although not all public institutions are included in this survey, the averages and changes over time at the same set of institutions offer consistency, and the large number of institutions included provides a close approximation to state averages.

**Observation:** Virginia public higher education is more affordable today than it was more than a decade ago when total student charges are compared to disposable personal income. If tuition increases are indexed with national economic indices, college education will continue to be affordable in Virginia.

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# HIGHER EDUCATION EXPENDITURES

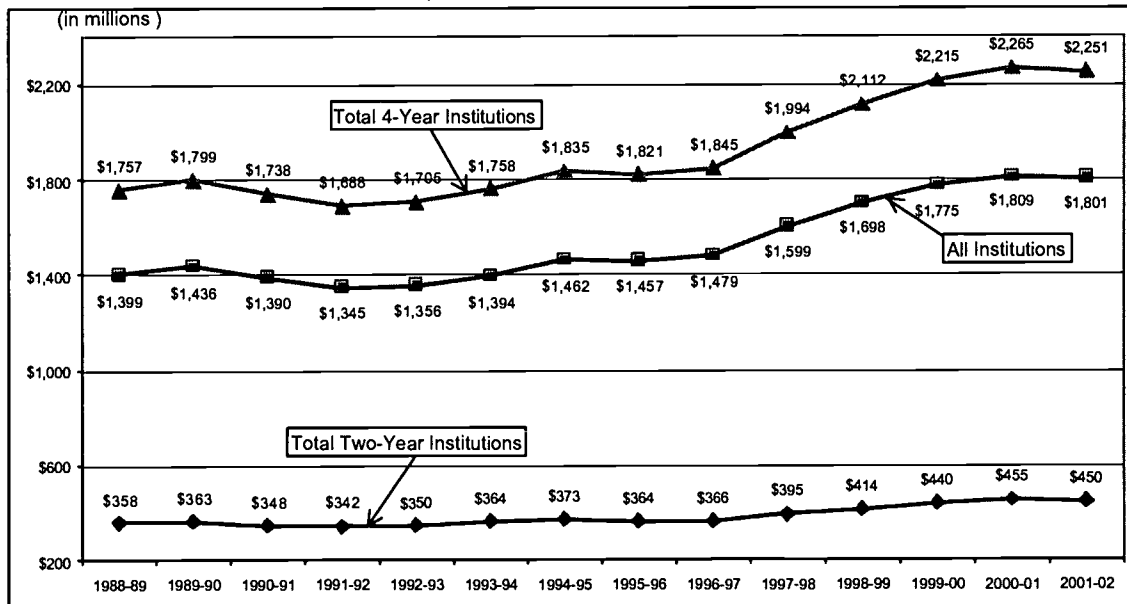
## Expenditures at Virginia Institutions

The National Association of College and University Business Officers (NACUBO) categorizes an institution's spending by the E&G programs of instruction, research, public service, academic support, student services, institutional support, and operation and maintenance of plant. This report examines expenditures at Virginia public institutions according to the NACUBO definitions. It is noted that there are other revenue sources besides the primary revenue identified by this report for an institution's operation. Therefore, it is likely that the total expenditure of an institution exceeds the primary revenue it generates as presented in this report.

Chart 19 presents the total E&G expenditures at Virginia public institutions by institution type. After adjusting for inflation, total E&G expenditures increased by 28% at four-year institutions, 26% at two-year institutions and 29% for all institutions from FY89 to FY02. Therefore, institutions spent more in FY02 than they spent 15 years ago. However, impacted by the first economic recession, E&G expenditures decreased at four-year institutions between FY90 and FY92, which in turn lowered the total average spending for the system. Expenditure levels at the two-year institutions remained relatively constant over the period.

**Chart 19**

**History of Higher Education E&G Expenditures**  
(in constant dollars and in millions)



Note: Include 16 institutions and VCCS only.  
Source: CARS.

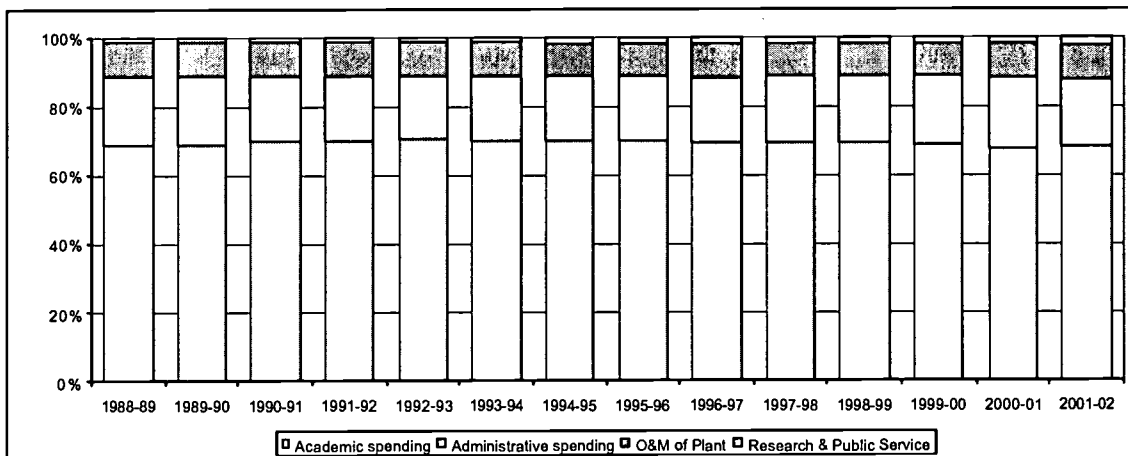
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While inflation-adjusted E&G expenditures increased systemwide by 29% from FY89 to FY02, changes in expenditures at the institutional level varied from 24% to 69% for the same period. Further, with a significant portion of institutional budgets dedicated to personal services (human resources), a significant portion of these spending increases can also be attributable to salary increases over that time. Individual institutions' data are in Appendix N.

As mentioned earlier, E&G expenditures are spread across various programs and used to provide different services on campus. Chart 20 shows the history of E&G expenditures by program for the system. As technology has become more and more integrated into instruction, for analysis purposes, this report combines the spending for instruction and academic support into one category of academic spending. Similarly, this report treats spending for student services and institutional support into one category of administrative spending, and combines spending for the programs of research and public services. The data reveal that overall; the share of each category of spending has remained very constant from FY89 to FY02. The change is only 1% up or down for any category. Institutions spent about 70% of their total E&G expenditures in academic programs, about 20% in administrative activities, and 10% for operation and maintenance of plant during this period. Individual institutions' data are provided in Appendix O.

**Chart 20**

**History of E&G Expenditures by Program**



Note: Include 16 institutions and VCCS.  
Source: CARS.

Total E&G Expenditures by Program							
	1988-89	1991-92	1993-94	1995-96	1997-98	1999-00	2001-02
Acad. spending	69%	70%	70%	70%	69%	69%	68%
Adm. spending	20%	19%	19%	19%	19%	20%	19%
O&M of Plant	10%	10%	10%	10%	9%	10%	10%
Res. & Pub Service	1%	1%	1%	2%	2%	2%	3%
Total	100%	100%	100%	100%	100%	100%	100%

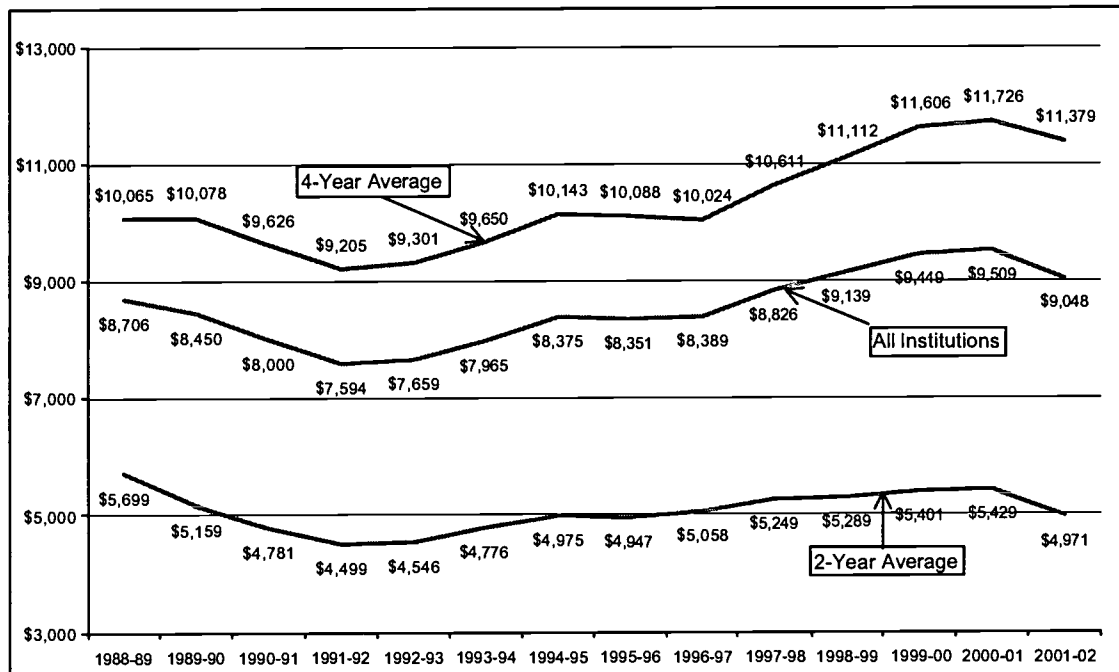
Chart 21 presents the average E&G spending per FTE student by institution type. After adjusting for inflation, on average, the E&G expenditures per FTE increased by 13% at four-year institutions but decreased by 13% at two-year institutions, and increased

overall by about 4% between FY89 and FY02. The decrease in per FTE spending at the two-year institutions is primarily the result of enrollment increases at the Virginia community colleges. Changes in per FTE student spending at individual institutions varied from -13% to 63% between FY89 to FY02 after adjusting for inflation. Individual institutions' data are in Appendix P.

It is worth noting that impacted by the state budget cuts during the first economic recession during this period, institutions reduced spending below the pre-recession level from FY90 to FY94. Under the current economic recession, spending was decreased at Virginia institutions in FY02 but so far the reduction in total spending has not been as large as that in the early 1990s. However, it is likely that the full impact of the current state budget reductions will be seen in the expenditure results of the next two years.

**Chart 21**

**History of E&G Expenditures per FTE Student in Virginia**  
(in constant dollars)

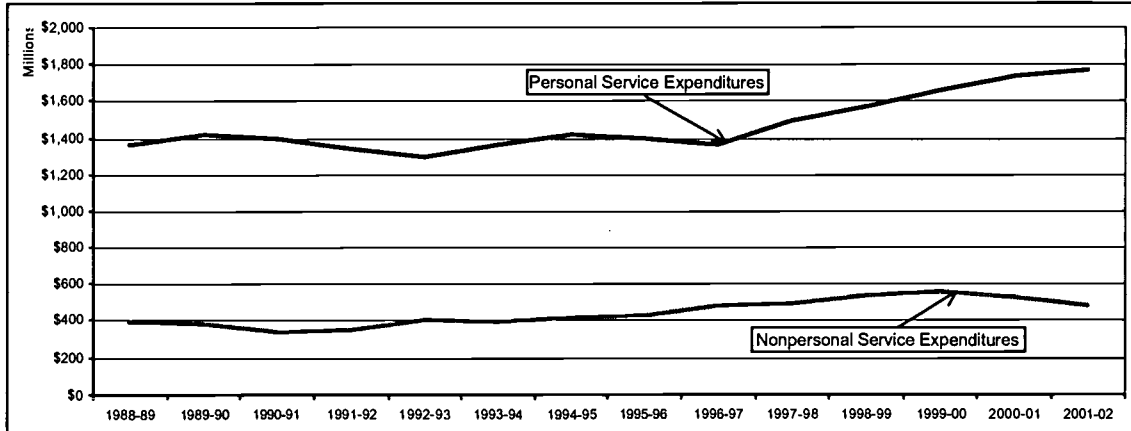


Note: Include 16 institutions and VCCS only.  
Source: CARS.

Chart 22 presents systemwide spending by personal service and nonpersonal service expenses. Personal service spending consists of salaries, wages and fringe benefits. The remaining expenses are referred to as nonpersonal service spending and include costs such as utilities, rent, insurance, travel, among others. The chart shows that after adjusting for inflation, personal service spending increased by 30% and nonpersonal service expenditures increased by 21% from FY89 to FY02. This data shows that, on average, institutions' spending for personal services increased roughly 2-3% per year above the rate of inflation, which can largely be explained by faculty salary, and state employee salary increases. Conversely, nonpersonal service expenses remained roughly flat during the period.

## Chart 22

**History of E&G Expenditures by Function in Virginia**  
(in constant dollars)



Note: Include 16 institutions and VCCS only.  
Source: CARS.

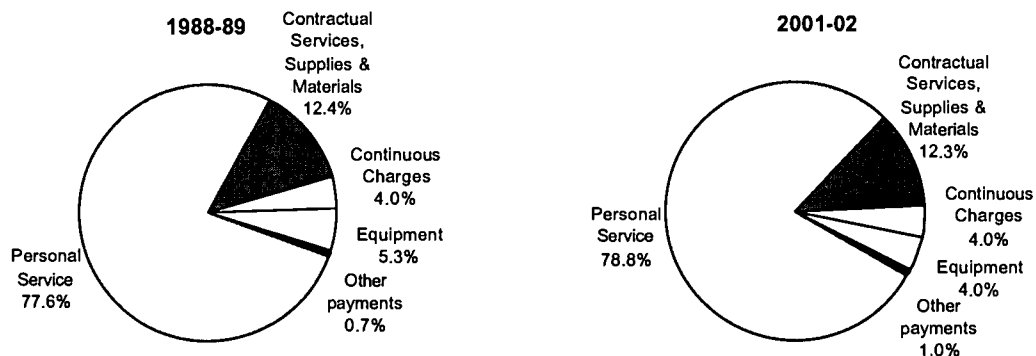
% Change over Time Period						
	1988-91	1991-94	1994-97	1997-00	2000-02	1988-02 Change
Personal Serv.	3%	-3%	0%	21%	7%	30%
Nonpersonal Srv.	-14%	18%	21%	16%	-14%	21%

Amount Share of the Total E&G Expenditures							
	1988-89	1991-92	1993-94	1995-96	1997-98	1999-2000	2001-02
Personal Services	1,362,536,484	1,336,994,807	1,361,072,649	1,391,730,813	1,500,772,824	1,657,909,634	1,772,699,637
Nonpersonal Serv.	394,379,638	350,588,175	397,376,501	429,412,974	493,043,157	557,366,873	478,262,659

Chart 23 shows the breakdown of E&G expenditures by major object of expenses systemwide in FY89 and FY02. The chart demonstrates that personal service spending accounted for 78% of the total E&G spending and its share did not change much between the two periods. This is because higher education is a labor-intensive industry. Normally over two-thirds of spending is for salaries and benefits. While nonpersonal service expenditures as a proportion of total spending did not change, the component parts did vary. Institutions spent slightly less proportionately on equipment but a little more on other expenses in FY02 than in FY89.

## Chart 23

**E&G Expenditures by Major Spending Category**



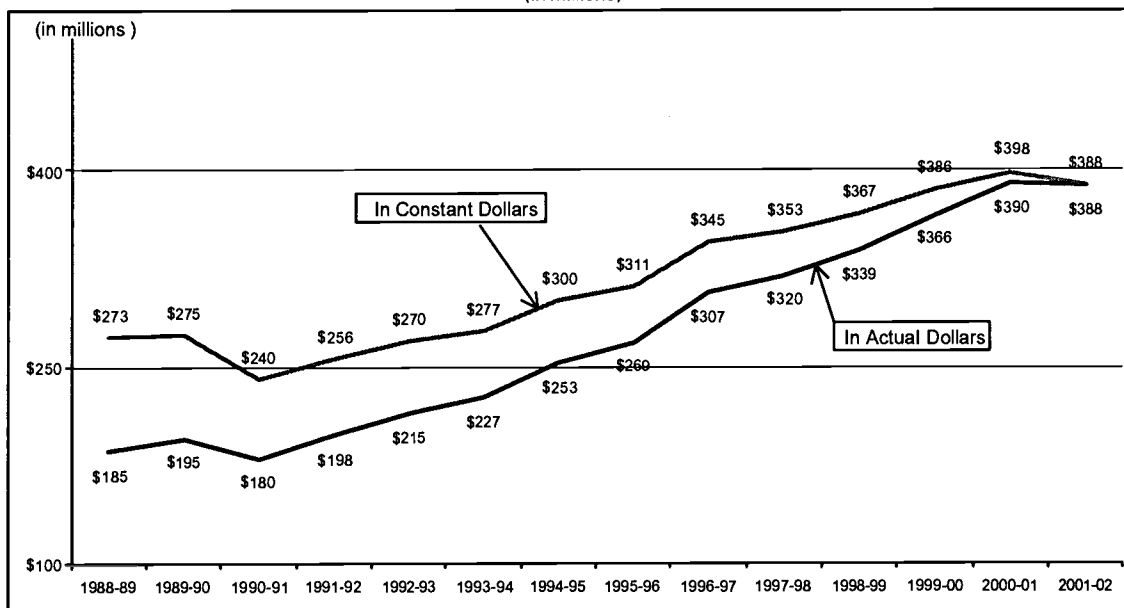
Note: Include 16 institutions and VCCS only.  
Source: CARS.

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Over the past 15 years, institutions increased their spending for information technology, either because of increased demands on campus or because of the needs for technology upgrades such as Y2K compliance. Technology-oriented expenses include spending for information technology such as computer hardware and software purchases and leases, and computer operation and maintenance services. Many had assumed that institutions had little left after information technology spending over the past 15 years. Chart 24 excludes technology-oriented expenses and examines the trend of spending for conventional nonpersonal service categories systemwide from FY89 to FY02. The data show that after adjusting for inflation, institutions increased spending for conventional nonpersonal services by 42%, or 15% on an expenditure per student basis, from FY89 to FY02. Once again the data suggest that institutions had gross resources for more discretionary spending over this period.

**Chart 24**

**History of Nontechnology-Oriented Nonpersonal Service Spending in E&G**  
(in millions)



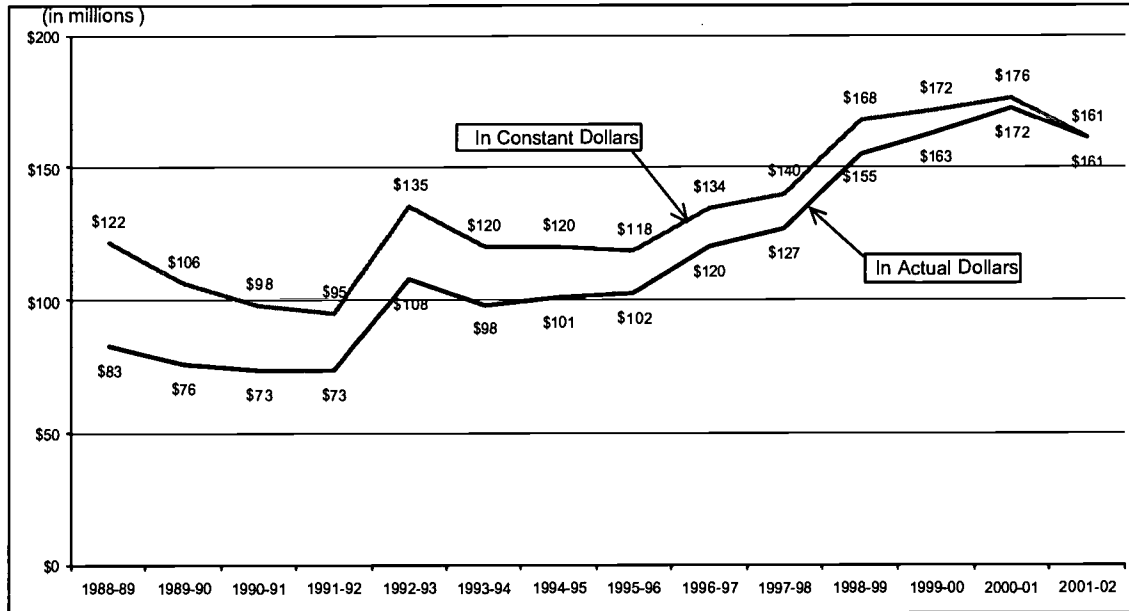
Note: Include 16 Institutions and VCCS only.  
Source: CARS.

Chart 25 presents the technology-oriented spending systemwide from FY89 to FY02. These expenses include information technology such as computer hardware and software purchases and leases, and computer operation and maintenance services. The data show, after adjusting for inflation, overall spending increased by 32% from FY89 to FY02. However, the technology-oriented spending fluctuated more notably than other spending over the period.

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**Chart 25**

**History of Technology-Oriented Spending in E&G Programs**  
(in millions)



Notes: Expenditures in FY01 and FY02 include the higher education equipment trust fund allocations to the Treasury.  
Include 16 institutions and VCCS only.  
Source: CARS.

**Peer Comparisons on Expenditures**

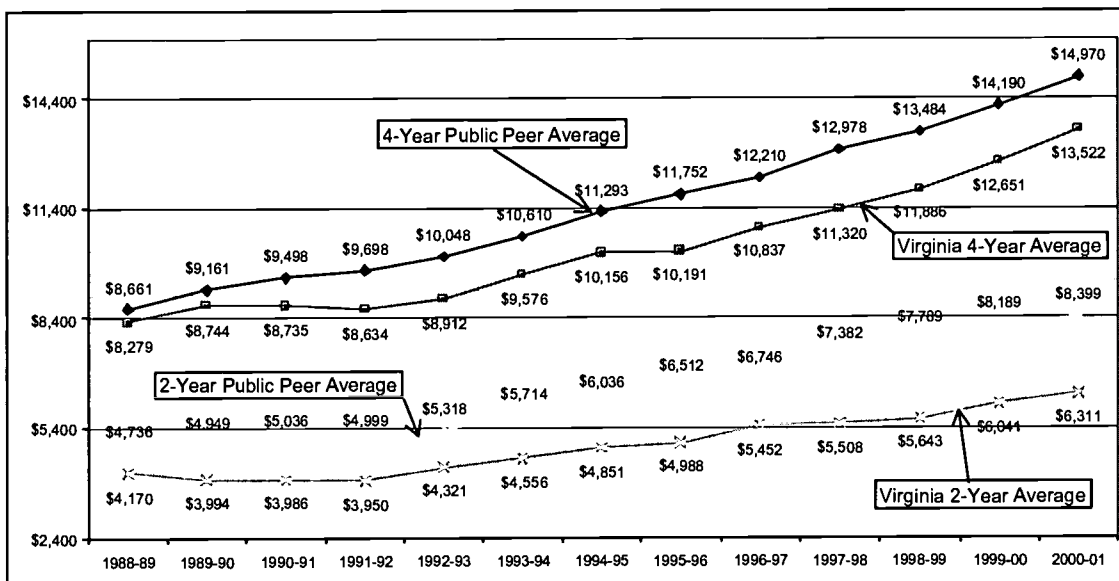
Unfortunately, there are few national organizations that collect data on E&G expenditures by program based on NACUBO definitions. Though IPEDS collects such expenditure data, its definition of E&G spending is more inclusive than the definition of E&G expenditures that Virginia uses for its public system of higher education. Therefore, Virginia institutions' expenditures presented in this section may be different from those in the previous section due to the different data definitions and sources. In addition, because of the differences in institutional research capabilities and institutional type, there is a large variation in IPEDS expenditures for research and public service. In order to make proper comparisons with peers, this report excludes spending for research and public service and examines only expenditures for instruction, academic support, student service, institutional support, and operation and maintenance of plant.

Chart 26 shows the average E&G expenditures per FTE student at Virginia institutions and their public peer institutions at both four-year and two-year levels. The data indicate that Virginia institutions at both four-year and two-year levels spent less per FTE student than their public peers for E&G operations. The spending gap for four-year institutions was 5% in FY89, widened to 15% in FY96 and narrowed to FY11% in FY01. The spending gap for two-year institutions started at 14% in FY89 and continued to widen to 33% in FY01. Individual institutions' data are in Appendix K.

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### Chart 26

#### Selected Educational and General Program Expenditures per FTE Student Virginia Public Institutions and their Public Peers



Note: CWM enrollment was reduced by 100 FTE for VIMS.

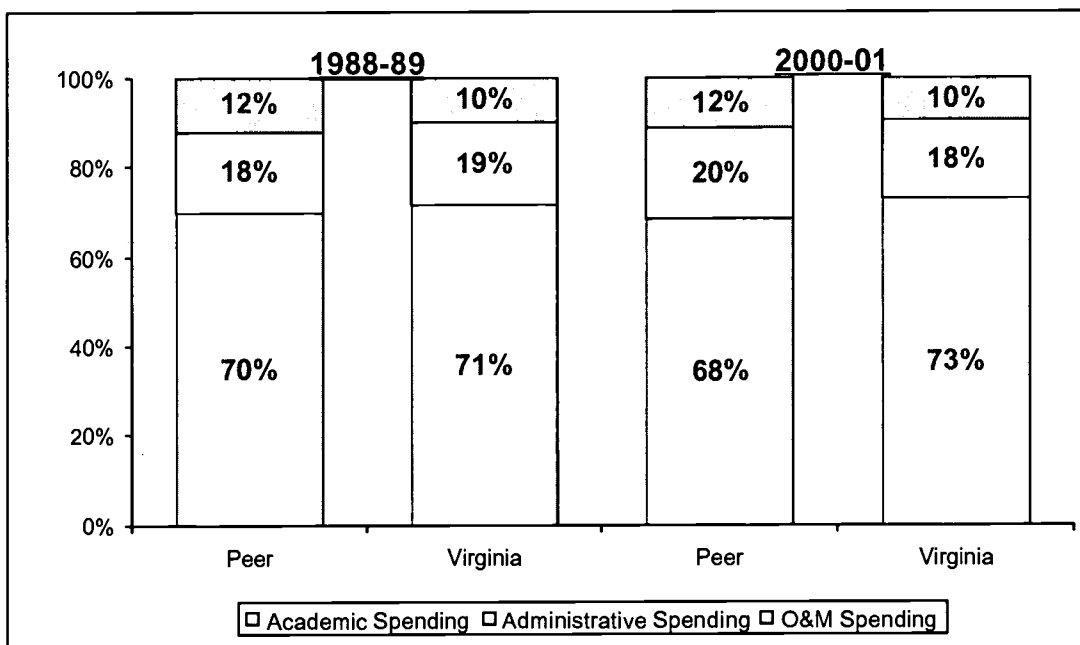
Source: IPEDS.

Chart 27 compares the selected E&G expenditures by functional category at Virginia institution and their peers in FY89 and FY01. The data show that Virginia four-year institutions increased academic spending from 71% to 73%; slightly decreased administrative spending from 19% to 18%; and spent the same proportion for operation and maintenance of plant (O&M) at 10% in both years. Compared to their national public peer institutions, Virginia four-year institutions spend a larger proportion of their budget on academic programs but less on administration and physical plant. Virginia's two-year institutions spent slightly less for both academic and administrative programs in FY01 than in FY89, while spending slightly more in the operation and maintenance of plant. Compared to their public peer institutions, Virginia two-year institutions also spent a larger proportion of their budget on academic programs but less on administration and physical plant. Detailed spending by program between Virginia institutions and their public peers is in Appendix Q.

**Observation:** Virginia institutions spent more for academic activities than their peers and less for both administration and operation and maintenance of physical plant. This means activities related directly to instruction and student learning are given priority by Virginia's public colleges and universities. While efforts to sustain a quality instructional program should be applauded, the pattern indicates deficiencies in Virginia's spending on plant and maintenance when compared to peers. This data helps explain the reasons for Virginia's large backlog of facility maintenance needs that must be addressed primarily through the state's Maintenance Reserve program and/or other means such as SCHEV's proposed Renovation Trust Fund.

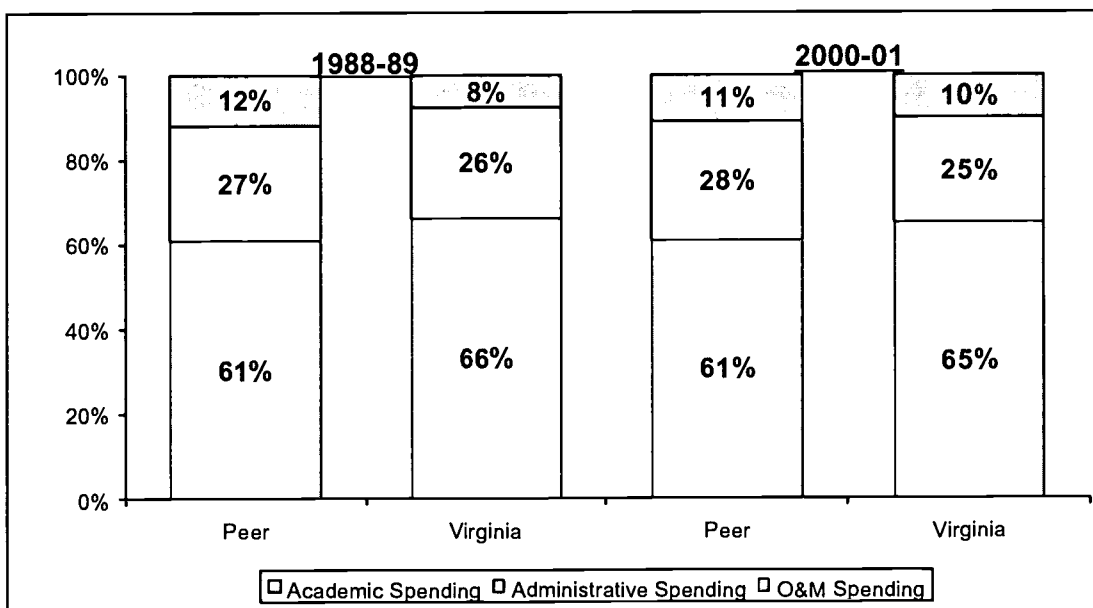
**Chart 27**

**Share of Selected Educational and General Program Expenditures  
at Four-Year Virginia Institutions and Their Peers**



Note: Selected educational and general program expenditures include spending for instruction, academic support, student service, institutional support and O&M.  
Source: IPEDS Finance.

**Share of Selected Educational and General Program Expenditures  
at Two-Year Virginia Institutions and Their Peers**



Note: Selected educational and general program expenditures include spending for instruction, academic support, student service, institutional support and O&M.  
Source: IPEDS Finance.



## CONCLUSIONS

Virginia's state-supported system of higher education is one of the largest and one of the best in the country. The condition of higher education funding in Virginia is inextricably tied to the economic well being of the Commonwealth and each has an undeniable effect on the other. In addition, Virginia higher education funding is a shared responsibility between the state and students and their families. Both the state and students have proven that they can be nimble in responding to the peaks and troughs of the economy, however, the erratic funding swings make planning difficult for the students, their parents, and the colleges and universities. While essential for policymakers, higher education leaders, and the public to understand the changes in Virginia higher education funding over time and to place them in context, perhaps more important is the question of where we go from here.

This report finds Virginia institutions are clearly operating underfunded in all measures reviewed by this report, i.e. compared to the national average, to the public peer average, and to the base adequacy calculation by the Virginia higher education funding guidelines. Without sufficient funding, Virginia institutions will undoubtedly limit their abilities to advance higher education in Virginia and to improve quality service to students and communities, not to mention that institutions will have difficulties to accommodate projected enrollment increases in the future. It is estimated that Virginia institutions would need additional funding of \$300 to \$400 million in any resource combination of the state support and tuition revenue to cover the funding shortfall identified by the Virginia higher education funding guidelines. This additional funding also would raise Virginia's national ranking, in terms of total funding per FTE student, to the top ten states -- a ranking that corresponds to Virginia's national ranking in demographic and economic statistics, and also bring Virginia institutions' funding to their public peer's average. Simply put, it is time for policymakers and higher education leaders to recognize the base adequacy funding needs of the colleges and universities, and absent state support to fund the formula, then the state must examine options for alternative funding mechanisms to help Virginia institutions generate the additional funding they need for operations. To do otherwise, leaves Virginia's public colleges without sufficient resources to serve Virginians and may, in fact, compromise quality.

In addition, this report finds that in the past 15 years, the Commonwealth has applied a mending approach toward higher education funding. That is, to increase tuition to offset general fund reductions during state financial downturns or to increase general fund to contain rising tuition during the booming economy. As a result, students and their families have been required to pay more to help institutions offset state budget reductions during the economic difficult times when they can least afford to pay. The state has provided subsidies inequitably to in-state students for college education over time. Such erratic practice lacks continuity and predictability of funding needs, limited students and their family's ability to save effectively for college, and did not provide equity for taxpayers in terms of cost share of education. The cost of higher education is increasing, so is the cost share burden of students and their families nationally. In order

to advance higher education Virginia strategically and systemwide, “the Commonwealth can ill-afford to continue making and amending policies – tuition, financial aid, and state support for higher education – in isolation of one another.”<sup>5</sup> It is time for policymakers and higher education leaders to develop a comprehensive and integrated approach to higher education funding – an approach that defines cost sharing goals between the state and students, and develops a tuition policy that can offer predictability and the long-range planning capability for investment in higher education. A sound and established funding policy will help not only students and their families effectively plan and save for college but also will help the state make more informed decisions on resource allocations.

In the last decade, the Commonwealth has reduced its support to higher education twice due to economic recessions. As the economy always has ups and downs, it is time for policymakers and higher education leaders to draw on the past funding experiences and develop a long-term funding mechanism that can help Virginia institutions stabilize their resources during the economic downturns. Based on the concept of the Commonwealth’s Revenue Stabilization Fund, this report finds that if Virginia institutions had put aside 1% of their annual tuition revenue into a reserve fund since FY92, the accumulation of the fund would have fully covered the general fund reductions made in October 2002, and possibly avoided the need for mid-year tuition increases or if phased over a period, could have mitigated the significant increases in just two years. In order to sustain and advance Virginia higher education, it is important for the Commonwealth to develop a long-term funding approach that can provide a steady funding stream to Virginia institutions.

While identifying sustainable sources of revenue to support the needs of higher education is crucial, the foundation for reaching innovative solutions in higher education funding lies in the relationships between policymakers, higher education leaders, and ultimately the public. Only when trust and candid exchanges are established between policymakers and higher education leaders can changes and innovations be sustained. In addition, only when both policymakers and higher education leaders are willing to examine the facts and openly discuss the implications will changes take place. Toward this end, SCHEV continues to work with institutions and other state level policymakers to explore funding options to mitigate the impact of economic cycles while ensuring that Virginia’s colleges and universities thrive and are sustained despite the peaks and troughs of economic conditions.

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<sup>5</sup> SCHEV white paper on “A Look at Affordability at Virginia’s Public Colleges and Universities”, page 1.

## GLOSSARY

**Appropriation Act** is the biennial budget of the Commonwealth of Virginia.

**Commonwealth Accounting and Reporting System (CARS)** is a database that collects revenue and expenditure data of the state agencies.

**Educational and General (E&G) programs** are the primary operations related to the institution's educational objectives. All activities associated with instruction, research, public service, academic support, student services, institutional support and operations and maintenance of plant are included in this classification.

**E&G appropriations** are the sum of general fund and nongeneral fund revenue for operation of the Educational and General (E&G) programs at Virginia public institutions.

**Full-Time Equivalent (FTE) student** is a statistics derived from the student-credit hour productivity of an institution.

**General fund** is the tax revenue the state government appropriates to support operations at public higher education institutions.

**General fund support per in-state FTE** is the total general fund divided by the total in-state full-time equivalent students.

**Grapevine** is the higher education center at the Illinois State University, which collects the state appropriations to higher education of all states and provides state ranking for over 30 years.

**In-state student** refers to a student whose domicile is the Commonwealth of Virginia.

**Integrated Postsecondary Education Data System (IPEDS)** is a subdivision of the National Center for Education Statistics, the primary federal entity for collecting and analyzing data that are related to education in the United States and other nations.

**National Association of College and University Business Officers (NACUBO)** is a nonprofit professional organization representing chief administrative and financial officers at more than 2,100 colleges and universities across the country.

**National Association of State Universities and Land-Grant Colleges (NASULGC)** is a voluntary national association of public universities, land-grant institutions and many of the nation's public university systems.

**Out-of-state student** refers to a student whose domicile is outside Virginia.

**Per FTE funding** is an indicator of funding that adjusts for increases in enrollment and funding over time. It provides a better benchmark than the dollar amount funding analysis as it indicates how much resources are available for a full-time equivalent student.

**Southern Regional Education Board (SREB)** is an interstate educational organization composed of 16 states of Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

**Tuition revenue** refers to the revenue generated through tuition charges and mandatory E&G fees to students attending public colleges in Virginia. It is the primary source of nongeneral fund in this report.

**Undergraduate student** refers to a student enrolled in degree programs below master's degree.

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- *Enrollment Trends at Virginia's Public Colleges and Universities*, March 2003
- *History of Higher Education Finance Policies in Virginia*, a presentation by Dr. William Allen, SCHEV Executive Director, 1999
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- *Where Virginia Ranks*, a presentation, 1992

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US Census Bureau, population and economic statistics, multiple years.

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## **ACKNOWLEDGEMENTS**

As with most of the SCHEV initiatives, the production of this report is a collaborative effort. The project was initiated by Phyllis Palmiero, the Executive Director of SCHEV and produced by Finance Policy staff of Robert D. Hix and Dr. Yan Zheng. Frances Bradford provided invaluable suggestions on the report.

SCHEV also would like to acknowledge Thomas Daley at the Central Office of the Virginia Community College System for his assistance in data production and analyses. Special thanks also go to the members of the Finance Advisory Committee for their timely comments and suggestions.

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History of Inflation Adjusted Appropriations for Educational and General Programs (E&G)

Table with columns for Institution, Year (1988-89 to 2003-04), and Amount. Includes sub-sections for General Fund Appropriations, Nongeneral Fund Appropriations, and Total Appropriations.

Table with columns for Institution, Year (1988-89 to 2003-04), and Amount. Includes sub-sections for General Fund Appropriations, Nongeneral Fund Appropriations, and Total Appropriations.

Note: Exclude lease payments that were appropriated into institutional accounts. Include appropriations amended by the 2003 General Assembly. NSU and VSU appropriations include OCR funding. VSU extension appropriations are included from 1988-89 to 1989-90. Source: Appropriation Acts.



## Appendix B

### History of General Fund Share to Total E&G Appropriations

Institution	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
CNU	68%	70%	63%	58%	50%	47%	46%	46%	55%	56%	60%	67%	68%	67%	62%	60%
CWM	59%	59%	55%	49%	46%	43%	42%	40%	42%	43%	44%	50%	52%	52%	43%	42%
GMU	65%	64%	62%	55%	50%	47%	45%	44%	46%	47%	49%	56%	59%	60%	49%	50%
JMU	63%	63%	58%	54%	50%	49%	49%	47%	48%	48%	50%	54%	55%	55%	46%	46%
LU	68%	69%	65%	60%	55%	52%	52%	51%	52%	53%	55%	65%	67%	66%	58%	55%
MWC	66%	66%	59%	53%	47%	46%	45%	43%	45%	47%	45%	52%	53%	53%	44%	42%
NSU	61%	61%	57%	49%	47%	46%	47%	45%	48%	48%	57%	60%	61%	61%	57%	59%
ODU	62%	62%	59%	52%	49%	46%	47%	45%	47%	49%	51%	56%	57%	56%	53%	50%
RU	69%	69%	65%	59%	55%	53%	54%	52%	54%	55%	56%	62%	63%	62%	56%	54%
UVA	62%	61%	58%	52%	49%	46%	45%	42%	44%	45%	46%	49%	49%	47%	38%	37%
UVAW	69%	71%	71%	67%	63%	59%	58%	57%	57%	60%	64%	71%	72%	72%	68%	68%
VCU	71%	71%	67%	62%	58%	57%	57%	56%	57%	58%	58%	62%	63%	62%	52%	51%
VMI	61%	60%	54%	48%	47%	46%	47%	46%	51%	50%	51%	53%	53%	52%	43%	40%
VSU	62%	62%	56%	52%	51%	49%	49%	47%	49%	51%	53%	57%	61%	61%	58%	60%
VT	60%	60%	57%	50%	47%	46%	45%	44%	47%	48%	49%	54%	54%	54%	45%	43%
RBC	72%	72%	68%	63%	58%	56%	59%	56%	58%	60%	61%	69%	70%	70%	67%	67%
VCCS	76%	76%	72%	66%	61%	58%	61%	60%	62%	63%	64%	71%	71%	70%	63%	61%
Avg 4-Yr	64%	64%	60%	54%	50%	48%	48%	46%	48%	49%	51%	56%	57%	56%	48%	47%
Avg 2-Yr	76%	76%	72%	66%	61%	58%	60%	60%	62%	63%	64%	71%	71%	70%	63%	61%
All Inst.	66%	66%	62%	57%	53%	50%	50%	49%	51%	52%	53%	59%	59%	59%	51%	50%

Note: Exclude lease payments that were appropriated into institutional accounts. Include appropriations amended by the 2003 General Assembly.

NSU and VSU appropriations include OCR funding. VSU extension appropriations are included from 1988-89 to 1998-99.

Source: Appropriation Acts.

Appendix C

Estimated Tuition Revenue and Accumulated Tuition Reserve between FY92 and FY03

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
<b>Revenue</b>												
Nongeneral Fund Appropriations	563,266,059	646,600,609	718,403,207	754,898,983	812,247,827	826,937,539	852,004,670	902,889,233	844,830,118	897,365,065	917,220,949	1,092,507,851
90% NGF as Tuition Revenue	506,939,453	581,940,548	646,562,886	679,409,085	731,023,044	744,243,785	766,804,203	812,600,310	760,347,106	807,628,559	825,498,854	983,257,066
<b>Scenario 1: Investment returns are indexed with inflation rates.</b>												
Inflation Rate (CPI)	3.2%	3.1%	2.5%	3.0%	2.7%	2.9%	1.8%	1.9%	2.8%	3.1%	2.2%	1.95%
1% Reserve plus inflation rate	5,231,615	11,396,365	18,304,853	25,841,117	34,060,197	42,689,177	51,259,233	60,513,555	70,024,303	80,521,707	90,729,783	102,523,319
Annual Yield of the Reserve (CPI)	162,221	349,146	518,108	734,329	954,871	1,194,947	1,353,703	1,533,818	1,789,662	2,095,506	2,323,217	2,560,255
<b>Scenario 2: Investment returns are compounded with an annual 5% increase.</b>												
1% Reserve plus 5% Increase	5,069,396	11,433,241	18,793,813	26,867,300	35,886,406	45,495,287	55,821,495	67,144,873	78,485,761	90,890,149	104,102,395	119,631,714
Annual Yield of the Reserve (5%)	253,470	557,113	908,251	1,293,368	1,723,548	2,181,847	2,674,341	3,214,359	3,755,250	4,346,827	4,976,918	5,717,392

Source: Appropriation Acts.

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## Appendix D

### History of Inflation Adjusted General Fund Support per In-State FTE Student for E&G Programs

Institution	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	1992-04
CNU	\$3,215	\$3,254	\$3,675	\$3,956	\$4,495	\$4,477	\$5,152	\$5,698	\$5,563	\$5,199	\$4,566	\$3,937	22.4%
CWM	\$6,180	\$6,847	\$6,998	\$6,542	\$6,841	\$7,166	\$7,917	\$9,654	\$10,700	\$10,372	\$7,934	\$7,185	16.3%
GMU	\$4,664	\$4,496	\$4,277	\$4,323	\$4,727	\$4,951	\$5,464	\$6,645	\$7,366	\$7,019	\$5,440	\$4,809	3.1%
JMU	\$4,025	\$4,151	\$4,409	\$4,392	\$4,687	\$4,638	\$5,302	\$5,771	\$6,310	\$5,994	\$5,065	\$4,552	13.1%
LU	\$3,877	\$3,845	\$3,908	\$3,824	\$4,212	\$4,321	\$4,629	\$5,528	\$5,704	\$5,277	\$4,497	\$4,111	6.0%
MWC	\$5,036	\$4,637	\$4,865	\$4,646	\$4,710	\$5,028	\$5,720	\$7,020	\$7,003	\$6,502	\$5,180	\$4,738	-5.9%
NSU	\$4,538	\$4,542	\$4,804	\$4,764	\$5,233	\$5,874	\$7,296	\$8,389	\$10,177	\$10,285	\$9,501	\$9,034	99.1%
ODU	\$4,891	\$5,066	\$5,124	\$4,793	\$4,983	\$5,520	\$6,316	\$7,101	\$7,293	\$6,766	\$5,551	\$5,016	2.6%
RU	\$3,730	\$3,752	\$4,215	\$4,178	\$4,510	\$4,669	\$5,002	\$5,463	\$5,553	\$5,052	\$4,591	\$4,174	11.9%
UVA	\$10,530	\$10,330	\$10,217	\$9,620	\$10,120	\$10,259	\$10,749	\$11,685	\$12,275	\$11,717	\$9,128	\$7,986	-24.2%
UVAW	\$4,441	\$4,775	\$5,469	\$5,037	\$5,626	\$6,148	\$6,532	\$7,405	\$8,518	\$7,953	\$7,521	\$6,851	54.3%
VCU	\$7,767	\$7,885	\$8,051	\$7,899	\$8,260	\$8,761	\$8,953	\$9,885	\$10,436	\$9,777	\$7,649	\$6,758	-13.0%
VMI	\$8,135	\$8,388	\$9,287	\$8,972	\$10,880	\$10,512	\$12,310	\$12,976	\$14,579	\$13,667	\$10,798	\$8,894	9.3%
VSU	\$5,815	\$6,507	\$6,791	\$6,764	\$7,247	\$7,784	\$8,623	\$8,694	\$10,248	\$9,498	\$8,719	\$8,069	38.8%
VT	\$6,479	\$6,403	\$6,254	\$6,909	\$7,092	\$7,337	\$7,953	\$8,955	\$9,710	\$9,429	\$7,797	\$7,057	8.9%
RBC	\$3,131	\$3,349	\$3,884	\$3,570	\$3,683	\$3,918	\$4,173	\$5,015	\$5,501	\$5,148	\$4,757	\$4,422	41.2%
VCCS	\$2,970	\$2,976	\$3,066	\$3,128	\$3,417	\$3,408	\$3,536	\$3,869	\$4,026	\$3,568	\$3,163	\$2,935	-1.2%
Avg 4-Yr	\$6,008	\$6,040	\$6,103	\$6,077	\$6,426	\$6,712	\$7,291	\$8,174	\$8,754	\$8,292	\$6,752	\$6,036	0.5%
Avg 2-Yr	\$2,972	\$2,981	\$3,076	\$3,134	\$3,421	\$3,415	\$3,544	\$3,883	\$4,043	\$3,585	\$3,180	\$2,951	-0.7%
All Inst.	\$4,818	\$4,838	\$4,930	\$4,948	\$5,301	\$5,464	\$5,855	\$6,490	\$6,870	\$6,352	\$5,264	\$4,766	-1.1%

Note: Exclude lease payments that were appropriated into institutional accounts. Include appropriations amended by the 2003 General Assembly.

NSU and VSU appropriations include OCR funding. VSU extension appropriations are included from 1988-89 to 1998-99.

VCCS FY03 and FY04 in-state FTE are projected based on the FY02 actual with annual increases of 3.67% in FY03 and 3% in FY04.

Source: Appropriation Acts.

## Appendix E

### History of Inflation Adjusted Total E&G Appropriations per Total FTE Student

Institution	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	1988-03
CNU	\$5,659	\$5,483	\$5,567	\$5,393	\$6,091	\$6,603	\$7,608	\$8,146	\$7,843	\$7,560	\$8,203	\$8,081	\$7,833	\$7,447	\$7,059	24.7%
CWM	\$10,564	\$10,532	\$10,087	\$9,779	\$9,768	\$10,632	\$11,015	\$10,786	\$10,850	\$11,109	\$11,628	\$12,124	\$12,699	\$12,312	\$12,047	14.0%
GMU	\$8,223	\$8,538	\$8,289	\$7,980	\$8,217	\$8,624	\$8,822	\$8,624	\$8,932	\$9,200	\$9,824	\$10,379	\$10,805	\$10,172	\$9,543	16.1%
JMU	\$6,836	\$6,770	\$6,430	\$6,094	\$6,046	\$6,268	\$6,611	\$6,682	\$6,684	\$6,603	\$7,356	\$7,541	\$7,968	\$7,611	\$7,681	12.4%
LC	\$7,213	\$6,918	\$6,695	\$6,428	\$6,671	\$7,026	\$7,276	\$7,291	\$7,841	\$7,921	\$8,070	\$8,148	\$8,190	\$7,622	\$7,437	3.1%
MWC	\$7,571	\$7,227	\$6,811	\$6,592	\$8,088	\$7,555	\$7,958	\$7,854	\$7,612	\$7,683	\$8,963	\$9,544	\$9,338	\$8,790	\$8,676	14.6%
NSU	\$8,187	\$8,180	\$7,725	\$6,914	\$6,452	\$6,622	\$7,029	\$7,302	\$7,635	\$8,642	\$9,068	\$10,368	\$12,073	\$12,009	\$12,478	52.4%
ODU	\$8,243	\$8,306	\$7,847	\$7,822	\$8,310	\$9,136	\$9,208	\$9,123	\$9,044	\$9,552	\$10,515	\$10,616	\$10,628	\$9,970	\$8,906	8.0%
RU	\$6,079	\$6,075	\$6,047	\$5,759	\$5,931	\$6,118	\$6,732	\$6,966	\$7,263	\$7,330	\$7,625	\$7,626	\$7,656	\$7,104	\$6,968	14.6%
UVA	\$13,509	\$13,653	\$12,900	\$13,060	\$12,966	\$13,425	\$13,739	\$13,610	\$13,843	\$13,947	\$14,449	\$14,597	\$15,481	\$15,270	\$14,749	9.2%
UVA-W	\$7,407	\$7,810	\$7,048	\$6,336	\$6,775	\$7,698	\$8,999	\$8,547	\$9,369	\$9,539	\$9,534	\$9,796	\$11,087	\$10,394	\$10,411	40.6%
VCU	\$13,614	\$13,211	\$12,610	\$12,108	\$12,157	\$12,626	\$12,913	\$12,890	\$13,129	\$13,630	\$14,221	\$14,512	\$14,772	\$14,035	\$12,951	-4.9%
VMI	\$12,422	\$11,653	\$11,444	\$11,356	\$11,174	\$11,771	\$12,368	\$12,262	\$13,065	\$12,077	\$13,427	\$13,279	\$13,983	\$13,393	\$13,663	10.0%
VSU	\$10,777	\$9,718	\$10,247	\$8,222	\$7,990	\$8,689	\$9,271	\$9,605	\$10,040	\$10,499	\$11,139	\$10,417	\$11,283	\$10,302	\$10,802	0.2%
VT	\$10,807	\$10,740	\$10,274	\$9,965	\$10,089	\$10,330	\$10,348	\$11,541	\$11,209	\$11,271	\$11,871	\$11,964	\$12,393	\$12,172	\$12,009	11.1%
RBC	\$6,182	\$5,859	\$5,593	\$5,214	\$5,238	\$5,885	\$6,426	\$6,163	\$6,161	\$6,402	\$6,668	\$7,058	\$7,649	\$7,169	\$6,989	13.0%
VCCS	\$5,569	\$4,972	\$4,687	\$4,401	\$4,612	\$4,848	\$4,800	\$4,955	\$5,223	\$5,057	\$5,141	\$5,102	\$5,298	\$4,757	\$4,673	-16.1%
Avg 4-Yr	\$9,980	\$9,908	\$9,499	\$9,154	\$9,287	\$9,693	\$9,984	\$10,183	\$10,269	\$10,488	\$11,094	\$11,321	\$11,764	\$11,292	\$10,871	8.9%
Avg 2-Yr	\$5,577	\$4,984	\$4,699	\$4,411	\$4,620	\$4,861	\$4,820	\$4,971	\$5,236	\$5,074	\$5,160	\$5,124	\$5,323	\$4,782	\$4,696	-15.8%
All Inst.	\$8,610	\$8,278	\$7,888	\$7,531	\$7,675	\$8,023	\$8,218	\$8,422	\$8,612	\$8,685	\$9,084	\$9,167	\$9,496	\$8,924	\$8,588	-0.3%

Note: Exclude lease payments that were appropriated into institutional accounts. Include appropriations amended by the 2003 General Assembly.

NSU and VSU appropriations include OCR funding. VSU extension appropriations are included from 1988-89 to 1998-99.

VCCS FY03 FTE is projected based on the FY02 actual with annual increases of 3.67%.

Source: Appropriation Acts.

Appendix F

Estimated Base Adequacy and Percent of Current Funding to Guidelines in FY03  
(in millions)

Institution	Estimated Base Adequacy	FY03 Funding	Estimated Funding Shortfall	Percent of Funding to Guidelines
Christopher Newport University	\$40.8	\$33.0	(\$7.8)	80%
College of William and Mary	\$104.0	\$103.0	\$1.0	88%
George Mason University	\$100.8	\$100.0	\$0.8	80%
James Madison University	\$40.0	\$38.0	\$2.0	80%
Longwood University	\$30.4	\$30.0	\$0.4	80%
Northampton Community College	\$30.0	\$33.4	\$3.4	110%
North Carolina State University	\$10.0	\$13.3	\$3.3	133%
Ohio Northern University	\$104.0	\$100.0	\$4.0	80%
Ohio State University	\$100.0	\$100.4	\$0.4	84%
University of Virginia	\$300.0	\$300.0	\$0.0	100%
University of Virginia at Wise	\$10.8	\$13.0	\$2.2	120%
Virginia Commonwealth University	\$308.0	\$300.0	\$8.0	97%
Virginia Military Institute	\$10.4	\$10.0	\$0.4	96%
Virginia State University	\$30.0	\$30.0	\$0.0	100%
Virginia Tech	\$300.0	\$300.0	\$0.0	100%
Western Carolina University	\$10.0	\$10.0	\$0.0	100%
Western Piedmont Community College	\$103.3	\$104.0	\$0.7	100%
York College of Pennsylvania	\$100.0	\$100.0	\$0.0	100%

Notes:

- (1) Estimated base adequacy is based on the higher education funding guidelines, using data of FY00-02 student FTE for discipline distributions, projected FY03 enrollments, institutions' FY02 operating plans but FY01 blended salaries.
- (2) FY03 funding includes general fund reductions and estimated tuition increases in FY03.

Appendix G

Ranking of Changes in State Appropriations for Higher Education Operation  
(in thousands)

State	FY89-FY94			FY94-FY02			FY02-FY03		
	Amount	Percent	Ranking	Amount	Percent	Ranking	Amount	Percent	Ranking
Alabama	\$116,782	15.1%	31	\$223,872	25.1%	45	\$32,153	2.9%	15
Alaska	\$13,526	8.1%	36	\$24,366	13.5%	49	\$8,041	3.9%	10
Arizona	\$78,185	14.5%	32	\$267,446	43.4%	27	\$23,052	2.6%	17
Arkansas	\$107,324	34.5%	9	\$206,993	49.5%	20	\$875	0.1%	35
California	(\$622,294)	-12.2%	50	\$5,010,554	112.3%	1	\$116,607	1.2%	28
Colorado	\$59,237	12.5%	34	\$222,391	41.6%	30	\$60,427	8.0%	2
Connecticut	\$24,409	5.2%	42	\$255,556	51.3%	18	\$8,919	1.2%	29
Delaware	\$18,454	17.2%	27	\$60,429	48.0%	21	\$6,491	3.5%	12
Florida	\$28,836	1.9%	44	\$1,139,283	71.8%	5	\$191,385	7.0%	4
Georgia	\$222,559	27.4%	12	\$672,876	65.0%	9	\$26,747	1.6%	20
Hawaii	\$104,248	39.0%	6	(\$22,489)	-6.0%	50	\$20,418	5.8%	7
Idaho	\$56,347	38.9%	7	\$122,006	60.6%	12	(\$18,003)	-5.6%	48
Illinois	\$379,323	26.8%	13	\$1,107,205	61.6%	10	(\$117,136)	-4.0%	46
Indiana	\$161,585	21.4%	18	\$403,059	43.9%	26	\$5,491	0.4%	31
Iowa	\$138,376	28.7%	11	\$165,784	26.7%	44	(\$16,786)	-2.1%	40
Kansas	\$98,888	25.6%	16	\$228,199	47.1%	23	(\$896)	-0.1%	39
Kentucky	\$110,593	21.3%	19	\$433,392	68.8%	7	\$30,931	2.9%	14
Louisiana	\$84,545	17.5%	26	\$430,234	75.8%	3	\$57,642	5.8%	8
Maine	\$9,948	6.1%	41	\$66,572	38.6%	32	\$3,080	1.3%	27
Maryland	\$48,078	6.9%	40	\$534,014	71.3%	6	\$19,155	1.5%	22
Massachusetts	(\$41,431)	-4.8%	47	\$190,569	23.0%	46	(\$28,545)	-2.8%	42
Michigan	\$217,271	16.2%	30	\$698,428	44.8%	25	\$5,840	0.3%	34
Minnesota	\$146,566	17.0%	29	\$371,804	36.9%	35	\$39,563	2.9%	16
Mississippi	\$33,318	7.8%	38	\$306,025	66.7%	8	\$10,229	1.3%	26
Missouri	\$76,980	14.0%	33	\$345,911	55.0%	16	(\$99,576)	-10.2%	49
Montana	\$20,008	19.0%	21	\$24,553	19.6%	48	(\$3,804)	-2.5%	41
Nebraska	\$104,818	41.4%	4	\$163,067	45.5%	24	(\$625)	-0.1%	38
Nevada	\$72,970	60.2%	1	\$152,626	78.6%	2	\$23,748	6.8%	5
New Hampshire	\$7,961	11.0%	35	\$27,158	33.8%	37	\$3,562	3.3%	13
New Jersey	\$190,830	17.6%	25	\$477,734	37.5%	33	\$39,680	2.3%	18
New Mexico	\$117,131	42.4%	2	\$217,822	55.4%	15	\$9,543	1.6%	21
New York	(\$83,866)	-2.8%	46	\$638,187	21.5%	47	\$220,973	6.1%	6
North Carolina	\$300,573	22.6%	17	\$812,511	49.8%	19	\$6,969	0.3%	33
North Dakota	\$21,818	17.7%	24	\$56,588	39.1%	31	\$0	0.0%	36
Ohio	\$44,136	3.1%	43	\$613,361	41.7%	29	\$28,074	1.3%	25
Oklahoma	\$123,376	29.7%	10	\$257,747	47.9%	22	\$15,162	1.9%	19
Oregon	\$66,911	18.5%	23	\$251,732	58.8%	14	(\$75,501)	-11.1%	50
Pennsylvania	\$236,805	18.5%	22	\$497,197	32.8%	38	(\$585)	0.0%	37
Rhode Island	(\$13,806)	-10.9%	49	\$61,732	54.8%	17	(\$5,035)	-2.9%	43
South Carolina	\$46,759	8.1%	37	\$231,952	37.2%	34	(\$25,895)	-3.0%	44
South Dakota	\$32,446	41.3%	5	\$32,141	29.0%	42	\$5,425	3.8%	11
Tennessee	\$143,067	20.8%	20	\$242,213	29.2%	41	\$82,474	7.7%	3
Texas	\$942,404	42.0%	3	\$1,946,785	61.1%	11	\$74,618	1.5%	23
Utah	\$102,529	38.8%	8	\$219,715	60.0%	13	(\$19,777)	-3.4%	45
Vermont	(\$919)	-1.7%	45	\$18,418	34.8%	36	\$4,101	5.7%	9
Virginia	(\$81,619)	-7.9%	48	\$682,308	71.9%	4	(\$86,176)	-5.3%	47
Washington	\$199,258	26.1%	15	\$407,717	42.4%	28	\$4,913	0.4%	32
West Virginia	\$43,389	17.1%	28	\$95,137	32.0%	39	\$1,644	0.4%	30
Wisconsin	\$197,486	26.7%	14	\$258,696	27.6%	43	\$16,936	1.4%	24
Wyoming	\$8,511	7.3%	39	\$37,223	29.9%	40	\$27,869	17.2%	1
All States	\$4,514,629	12.4%		\$21,888,799	53.4%		\$734,397	1.2%	

Source: Grapevine.

Appendix H

Ranking of Changes in State Appropriations for Higher Education Operation  
In States of the Southern Regional Education Board  
(in thousands)

SREB	FY89-FY94			FY94-FY92			FY02-FY03		
	Amount	Percent	Ranking	Amount	Percent	Ranking	Amount	Percent	Ranking
Alabama	\$116,782	15.1%	11	\$223,872	25.1%	16	\$32,153	2.9%	6
Arkansas	\$107,324	34.5%	2	\$206,993	49.5%	10	\$875	0.1%	14
Delaware	\$18,454	17.2%	9	\$60,429	48.0%	11	\$6,491	3.5%	4
Florida	\$28,836	1.9%	15	\$1,139,283	71.8%	3	\$191,385	7.0%	2
Georgia	\$222,559	27.4%	4	\$672,876	65.0%	7	\$26,747	1.6%	8
Kentucky	\$110,593	21.3%	6	\$433,392	68.8%	5	\$30,931	2.9%	5
Louisiana	\$84,545	17.5%	8	\$430,234	75.8%	1	\$57,642	5.8%	3
Maryland	\$48,078	6.9%	14	\$534,014	71.3%	4	\$19,155	1.5%	9
Mississippi	\$33,318	7.8%	13	\$306,025	66.7%	6	\$10,229	1.3%	11
North Carolina	\$300,573	22.6%	5	\$812,511	49.8%	9	\$6,969	0.3%	13
Oklahoma	\$123,376	29.7%	3	\$257,747	47.9%	12	\$15,162	1.9%	7
South Carolina	\$46,759	8.1%	12	\$231,952	37.2%	13	(\$25,895)	-3.0%	15
Tennessee	\$143,067	20.8%	7	\$242,213	29.2%	15	\$82,474	7.7%	1
Texas	\$942,404	42.0%	1	\$1,946,785	61.1%	8	\$74,618	1.5%	10
Virginia	(\$81,619)	-7.9%	16	\$682,308	71.9%	2	(\$86,176)	-5.3%	16
West Virginia	\$43,389	17.1%	10	\$95,137	32.0%	14	\$1,644	0.4%	12

Source: Grapevine.

Appendix I

Top Ten States and Virginia Ranking in State Funding, Tuition and Fee Revenue, and Primary Revenue

Ranking	Total Amount of State Funding			Total Amount of Tuition Revenue			Total FTE Enrollments		
	FY89	FY96	FY01	FY89	FY96	FY01	FY89	FY96	FY01
1	CA	CA	CA	CA	CA	NY	CA	CA	CA
2	TX	TX	NY	PA	NY	CA	TX	TX	TX
3	NY	NY	TX	OH	PA	TX	NY	NY	NY
4	FL	FL	FL	MI	MI	MI	IL	FL	FL
5	MI	NC	NC	NY	OH	OH	MI	IL	IL
6	OH	MI	MI	TX	TX	PA	OH	MI	MI
7	NC	OH	OH	IL	IL	IL	FL	OH	OH
8	IL	GA	GA	VA	VA	FL	PA	PA	AL
9	VA	IL	IL	IN	IN	IN	NC	NC	PA
10	NJ	PA	VA	WI	NJ	NJ	VA	VA	NC
		VA (18)				VA (11)			VA (11)

Ranking	Per FTE State Funding			Per FTE Tuition Revenue			Per FTE Primary Revenue*		
	FY89	FY96	FY01	FY89	FY96	FY01	FY89	FY96	FY01
1	AK	AK	HI	VT	VT	VT	AK	AK	NY
2	HI	HI	AK	DE	DE	NH	HI	VT	HI
3	NC	NC	NY	NH	NH	NY	DE	CT	VT
4	WY	CT	CT	PA	PA	PA	VT	DE	AK
5	ME	GA	NC	OH	MI	OH	ME	IN	CT
6	SC	IA	GA	MI	RI	MI	SC	IA	MA
7	NY	MN	MA	IN	OH	IN	NJ	MN	GA
8	CA	WY	NE	CO	IN	NJ	IN	HI	IN
9	TN	NV	NM	IA	MA	RI	IA	ME	NC
10	NJ	MS	KY	RI	MD	MD	NY	PA	OH
	VA (24)	VA (42)	VA (28)	VA (13)	VA (11)	VA (20)	VA (22)	VA (35)	VA (26)

Note: Primary revenue consists of state funding and tuition and fee revenue.  
Source: IPEDS.



**Appendix J**  
**Cost Shared Between State Funding and Tuition Revenue**

State	FY1988-89				FY2000-01			
	% of State Share	% of Tuition Share	State Share Rank	Tuition Share Rank	% of State Share	% of Tuition Share	State Share Rank	Tuition Share Rank
AK	88.3%	11.7%	1	50	79.1%	20.9%	1	50
AL	74.7%	25.3%	20	32	61.8%	38.2%	33	19
AR	77.8%	22.2%	12	40	69.3%	30.7%	14	38
AZ	68.1%	31.9%	35	17	60.3%	39.7%	36	16
CA	84.4%	15.6%	5	47	75.0%	25.0%	5	47
CO	53.2%	46.8%	47	5	48.4%	51.6%	48	4
CT	73.9%	26.1%	25	27	67.9%	32.1%	16	36
DE	52.2%	47.8%	48	4	71.4%	28.6%	12	40
FL	81.2%	18.8%	6	46	72.6%	27.4%	8	44
GA	77.6%	22.4%	13	39	72.9%	27.1%	6	46
HI	85.7%	14.3%	4	48	77.6%	22.4%	3	49
IA	68.5%	31.5%	33	19	65.4%	34.6%	22	30
ID	78.1%	21.9%	11	41	66.2%	33.8%	20	32
IL	67.5%	32.5%	39	13	62.2%	37.8%	32	20
IN	65.9%	34.1%	42	10	56.3%	43.7%	42	10
KS	71.2%	28.8%	29	23	65.8%	34.2%	21	31
KY	75.6%	24.4%	18	34	68.2%	31.8%	15	37
LA	67.6%	32.4%	38	14	63.9%	36.1%	26	26
MA	79.0%	21.0%	8	44	66.8%	33.2%	18	34
MD	68.3%	31.7%	34	18	56.6%	43.4%	41	11
ME	74.6%	25.4%	21	31	62.2%	37.8%	30	22
MI	60.4%	39.6%	45	7	52.6%	47.4%	45	7
MN	71.0%	29.0%	30	22	64.0%	36.0%	25	27
MO	68.0%	32.0%	36	16	60.0%	40.0%	37	15
MS	74.0%	26.0%	24	28	71.4%	28.6%	11	41
MT	74.6%	25.4%	22	30	51.2%	48.8%	47	5
NC	86.3%	13.7%	3	49	77.4%	22.6%	4	48
ND	68.7%	31.3%	32	20	62.2%	37.8%	31	21
NE	72.9%	27.1%	27	25	71.6%	28.4%	10	42
NH	42.2%	57.8%	50	2	31.9%	68.1%	50	2
NJ	70.7%	29.3%	31	21	56.3%	43.7%	43	9
NM	79.5%	20.5%	7	45	77.8%	22.2%	2	50
NV	78.3%	21.7%	10	42	70.5%	29.5%	13	39
NY	76.5%	23.5%	15	37	63.0%	37.0%	29	23
OH	59.7%	40.3%	46	6	52.3%	47.7%	46	6
OK	76.4%	23.6%	16	36	72.0%	28.0%	9	43
OR	67.3%	32.7%	40	12	59.3%	40.7%	38	14
PA	49.4%	50.6%	49	3	41.5%	58.5%	49	3
RI	67.0%	33.0%	41	11	53.9%	46.1%	44	8
SC	73.1%	26.9%	26	26	63.2%	36.8%	27	25
SD	63.4%	36.6%	44	8	58.0%	42.0%	40	12
TN	76.0%	24.0%	17	35	64.9%	35.1%	23	29
TX	78.5%	21.5%	9	43	67.2%	32.8%	17	35
UT	74.7%	25.3%	19	33	66.8%	33.2%	19	33
VA	67.9%	32.1%	37	15	61.1%	38.9%	35	17
VT	30.5%	69.5%	51	1	23.0%	77.0%	51	1
WA	74.2%	25.8%	23	29	61.2%	38.8%	34	18
WI	65.6%	34.4%	43	9	59.0%	41.0%	39	13
WV	76.7%	23.3%	14	38	63.1%	36.9%	28	24
WY	86.5%	13.5%	2	50	72.8%	27.2%	7	45
Nat'l Avg	72.6%	27.4%			64.0%	36.0%		

Source: IPEDS Finance.







Appendix K

Comparison of Enrollment Size, Per FTE Revenue Sources and Expenditures, and Ranking to Public Peers

Table with columns: Virginia Inst., UNITID, Institution Name, State, FTE Enrollment (FY89, Ranking, FY01, Ranking), State Funding (FY89, Ranking, FY01, Ranking), Tuition Revenue (FY89, Ranking, FY01, Ranking), Primary Revenue (FY89, Ranking, FY01, Ranking), E&G Expenditures (FY89, Ranking, FY01, Ranking), and Ranking. The table lists 26 university entries with their respective enrollment and financial data across different years and categories.

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Appendix K

Comparison of Enrollment Size, Per FTE Revenue Sources and Expenditures, and Ranking to Public Peers

Virginia InsL	UNITID	Institution Name	State	FTE Enrollment			State Funding			Tuition Revenue			Primary Revenue			E&G Expenditures									
				FY89	Ranking	FY01	FY89	Ranking	FY01	FY89	Ranking	FY01	FY89	Ranking	FY01	FY89	Ranking	FY01	Ranking						
WCC	233949	VIRGINIA WESTERN COMMUNITY COLLEGE	VA	3,326	9	3,522	9	2,738	13	4,029	15	852	17	1,401	17	3,590	18	3,612	18	5,430	18	3,612	18	5,426	18
WCC	162104	CECIL COMMUNITY COLLEGE	MD	657	19	762	20	6,699	2	10,453	1	1,729	2	3,849	2	8,428	2	9,010	1	14,302	1	9,010	1	14,338	1
WCC	166847	MASSACHUSETTS BAY COMMUNITY COLLEGE	MA	2,758	5	2,932	6	2,585	18	5,882	9	1,060	6	3,538	3	3,645	16	3,457	17	9,419	4	3,457	17	9,824	4
WCC	167312	NORTH SHORE COMMUNITY COLLEGE	MA	3,333	2	3,654	2	4,276	8	7,049	4	1,588	3	2,797	4	5,864	4	5,253	9	9,846	2	5,253	9	11,018	2
WCC	167534	QUINSIGAMOND COMMUNITY COLLEGE	MA	2,558	6	3,351	4	3,242	15	5,757	10	849	11	2,195	6	4,090	14	4,026	15	7,951	10	4,026	15	8,454	10
WCC	183099	NEW HAMPSHIRE TECHNICAL INSTITUTE	NH	1,237	17	1,871	16	4,284	7	3,585	20	2,027	1	4,262	1	6,311	3	7,847	12	6,554	4	7,847	12	8,159	13
WCC	198118	ASHVILLE BUNCOMBE TECHNICAL COMMUNITY CO	NC	1,788	11	2,720	8	4,901	3	6,673	7	39	19	1,475	15	4,939	8	8,148	7	8,148	7	5,263	8	8,177	12
WCC	198455	DURHAM TECHNICAL COLLEGE AND TECHNICAL	NC	1,394	15	1,983	15	4,162	9	6,801	5	360	18	1,295	19	4,522	10	8,096	9	8,096	9	4,767	10	8,554	8
WCC	218025	FLORENCE DARLINGTON TECHNICAL COLLEGE	NC	2,320	7	2,328	13	3,914	10	6,798	6	391	17	1,408	16	4,305	12	8,206	6	4,362	11	8,503	9	8,359	11
WCC	22576	ANARILLO COLLEGE	TX	2,824	3	4,863	1	4,798	4	5,591	11	982	8	1,477	14	5,780	5	7,067	5	7,067	5	5,776	6	8,103	14
WCC	22822	ANGELINA COLLEGE	TX	1,706	12	2,767	7	2,692	17	3,886	19	623	14	1,104	20	3,316	18	4,990	20	3,316	18	4,990	20	5,323	20
WCC	224615	EL CENTRO COLLEGE	TX	2,860	4	2,352	12	4,659	6	7,843	2	868	10	1,876	8	5,527	7	9,718	3	6,165	5	9,718	3	9,898	3
WCC	226578	MCLENNAN COMMUNITY COLLEGE	TX	3,337	1	3,650	3	3,070	16	5,289	14	509	15	1,873	9	3,579	17	7,162	13	3,579	17	7,162	13	6,346	17
WCC	227304	ODESSA COLLEGE	TX	1,900	9	2,547	10	7,387	1	7,586	3	1,262	4	1,656	12	8,649	1	9,242	5	8,542	2	8,542	2	8,880	6
WCC	228608	TEMPLE COLLEGE	TX	1,494	13	2,049	14	3,253	14	5,047	15	923	9	2,008	7	4,176	13	7,055	15	4,151	14	4,151	14	6,739	15
WCC	229540	VICTORIA COLLEGE	TX	1,836	10	2,506	11	3,307	13	4,367	16	470	16	1,407	17	3,777	15	5,774	17	4,272	13	4,272	13	6,596	16
WCC	229841	WHARTON COUNTY JUNIOR COLLEGE	TX	1,933	8	3,118	5	3,541	12	3,979	17	764	12	1,738	11	4,306	11	5,717	18	4,289	12	4,289	12	6,146	18
WCC	238014	WEST VIRGINIA NORTHERN COMMUNITY COLLEGE	WV	1,491	14	1,452	18	2,232	19	3,922	18	695	13	1,618	13	2,927	19	5,540	19	3,341	18	3,341	18	5,535	19
WCC	246813	ATHENS TECHNICAL COLLEGE	GA	1,648	17	1,648	17	3,827	11	5,555	12	1,013	7	1,400	18	4,840	9	6,954	9	7,868	11	7,868	11	9,815	5
WCC	234377	WYTHEVILLE COMMUNITY COLLEGE	VA	1,095	18	1,340	19	3,827	11	5,555	12	1,013	7	1,400	18	4,840	9	6,954	9	7,868	11	7,868	11	9,815	5

Notes:  
 (1) Virginia institutions' peers are their current peers. Therefore, peers may or may not be comparable in FY89 as institutions change in missions and program mixes over time.  
 (2) For 4-year institutions, primary revenue includes state appropriations and tuition revenue. For 2-year institutions, primary revenue includes state and local appropriations and tuition revenue.  
 (3) E&G expenditures include spending for instruction, academic support, student service, institutional support and O&M.  
 (4) Some peer institutions only reported tuition revenue and did not report the state and local appropriations to IPEDS.  
 (5) Bevil State Community College-Brewer Campus has been consolidated. The presented figures are based on its current reporting identification which includes other campuses' data.  
 (6) Dundalk Community College and Cantonsville Community College have been consolidated into the Community College of Baltimore County. The presented figures include their individually reported data and the data after the consolidation.  
 Source: IPEDS Finance.

## Appendix L

### Ranking of Virginia Teaching and Research Faculty Salaries to Peers

Institution	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
GMU	57	60	40	32	37	30	29	28	32	48	54	64	58	41
ODU	59	60	43	39	31	30	29	27	34	49	53	62	57	43
UVA	55	60	49	33	34	43	41	38	33	33	40	48	46	35
VCU	52	60	48	40	35	33	32	30	35	40	51	58	55	39
VPI	66	65	40	31	32	24	22	20	21	34	42	50	47	34
CWM	49	60	47	36	35	35	31	29	10	15	30	54	51	35
Doc Avg	56	60	44	35	34	32	31	29	28	36	45	56	53	38
CNU	56	60	52	41	40	39	36	36	43	50	56	62	61	55
CVC	62	61	40	28	24	15	15	16	10	10	24	59	61	51
JMU	56	60	52	45	43	43	42	44	40	45	54	62	60	50
LC	72	71	41	34	32	34	31	33	45	53	60	68	42	31
MWC	58	60	33	20	14	17	18	19	28	37	47	58	59	47
NSU	68	67	53	39	35	31	30	30	62	76	78	74	63	55
RU	63	62	47	36	30	26	25	25	45	67	73	76	75	53
VMI	70	69	57	43	41	41	40	40	50	54	55	53	56	49
VSU	81	80	32	25	24	27	27	30	50	60	65	66	57	49
Comp Avg	65	65	45	35	31	30	30	30	41	50	57	64	59	49
4-Yr Avg	61	63	45	35	32	31	30	30	36	45	52	61	57	45
RBC	84	83	58	45	43	50	51	47	55	63	59	62	57	55
VCCS	73	60	55	51	49	46	45	45	48	51	57	61	59	40
2-Yr Avg	79	72	56	48	46	48	48	46	51	57	58	61	58	48

Source: AAUP.



**Appendix M**  
**In-State Undergraduate Tuition and Educational and General Fees**  
**As a Percent of Adjusted Educational and General Appropriations per FTE Student**

Institution	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
CNU	44%	48%	N/A	37%	36%	34%	31%	25%	24%	25%	29%
CWM	33%	33%	N/A	31%	32%	29%	28%	20%	19%	19%	20%
GMU	35%	40%	N/A	40%	38%	37%	34%	25%	24%	23%	31%
JMU	37%	36%	N/A	34%	33%	32%	29%	22%	21%	20%	21%
LU	41%	45%	N/A	44%	42%	40%	37%	28%	26%	26%	31%
MWC	34%	41%	N/A	45%	41%	38%	35%	25%	25%	24%	31%
NSU	32%	33%	N/A	34%	31%	30%	24%	19%	17%	14%	15%
ODU	41%	42%	N/A	38%	35%	36%	32%	24%	24%	23%	25%
RU	38%	38%	N/A	35%	32%	30%	30%	24%	23%	23%	25%
UVA	39%	39%	N/A	38%	38%	36%	34%	27%	25%	24%	27%
UVAW	37%	37%	N/A	30%	30%	29%	29%	22%	21%	18%	20%
VCU	38%	39%	N/A	38%	37%	33%	32%	25%	24%	23%	27%
VMI	35%	35%	N/A	41%	37%	33%	31%	24%	22%	22%	22%
VSU	33%	34%	N/A	31%	27%	27%	25%	19%	18%	17%	20%
VT	40%	40%	N/A	42%	39%	38%	35%	27%	27%	26%	29%
RBC	39%	40%	N/A	36%	34%	36%	34%	24%	23%	22%	23%
VCCS	35%	35%	N/A	34%	31%	30%	29%	23%	22%	23%	27%
Avg 4-Yr	37%	39%	N/A	38%	36%	34%	32%	25%	24%	23%	26%
All Inst.	37%	38%	N/A	37%	35%	33%	31%	24%	23%	23%	26%

Note: Exclude technology fees. Include mid-year surcharges in FY03.  
Source: SCHEV.

Appendix N

History of Inflation Adjusted Educational and General Program Expenditures

Institution	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	1988-02
CNU	\$20,214,550	\$21,223,847	\$21,123,319	\$20,595,952	\$22,566,450	\$24,471,615	\$24,697,251	\$24,833,433	\$26,247,276	\$29,251,100	\$32,723,238	\$33,530,636	\$34,232,707	\$33,314,757	64.8%
CWM	\$79,798,392	\$81,819,893	\$77,645,728	\$75,825,432	\$76,087,629	\$77,361,647	\$79,007,902	\$79,847,355	\$79,579,641	\$84,304,045	\$89,621,665	\$94,725,936	\$97,501,122	\$96,011,012	20.3%
GMU	\$116,098,240	\$124,444,963	\$125,189,843	\$124,063,190	\$127,095,934	\$139,270,935	\$141,841,864	\$146,528,576	\$150,264,164	\$162,084,555	\$173,216,734	\$186,750,372	\$191,504,437	\$196,299,376	69.1%
JMU	\$75,775,359	\$77,222,337	\$73,661,158	\$71,663,917	\$72,163,877	\$75,415,445	\$79,091,591	\$82,522,171	\$90,772,798	\$98,831,079	\$113,873,271	\$116,723,004	\$122,698,739	\$121,837,254	60.6%
LU	\$23,745,906	\$24,458,527	\$22,956,403	\$22,285,802	\$22,944,560	\$24,861,772	\$25,030,950	\$24,653,196	\$23,901,280	\$25,938,734	\$27,455,497	\$29,850,026	\$30,579,734	\$29,452,805	24.0%
MWC	\$24,542,511	\$24,826,111	\$24,137,390	\$23,335,562	\$24,968,783	\$26,941,937	\$26,512,329	\$27,034,673	\$26,756,001	\$28,306,760	\$31,043,069	\$34,465,131	\$34,665,927	\$34,637,478	41.1%
NSU	\$53,660,974	\$54,514,434	\$52,088,585	\$49,600,916	\$50,877,159	\$51,228,426	\$54,399,481	\$53,486,176	\$53,162,910	\$54,290,301	\$54,077,087	\$60,260,963	\$61,414,542	\$63,793,566	18.9%
ODU	\$114,210,191	\$114,571,368	\$110,656,045	\$107,716,163	\$111,344,643	\$110,013,761	\$114,500,045	\$119,321,819	\$118,386,617	\$127,044,818	\$141,235,551	\$146,820,192	\$144,893,127	\$138,259,949	21.1%
RU	\$53,347,800	\$58,313,677	\$55,095,805	\$54,043,979	\$55,270,911	\$57,470,595	\$59,854,442	\$55,864,531	\$53,782,660	\$57,212,476	\$59,242,929	\$60,356,353	\$62,273,355	\$60,367,279	13.2%
UVA	\$275,520,672	\$280,373,621	\$271,242,740	\$261,771,904	\$263,164,350	\$265,433,384	\$279,703,636	\$274,508,980	\$274,423,185	\$295,670,113	\$309,015,132	\$327,707,062	\$328,926,781	\$328,423,145	19.2%
UVAV	\$8,851,526	\$9,539,948	\$9,300,442	\$9,216,040	\$9,603,957	\$9,751,121	\$10,608,704	\$10,265,174	\$10,282,238	\$11,371,153	\$12,133,575	\$12,911,198	\$13,301,757	\$12,967,222	46.5%
VMI	\$19,132,108	\$19,058,055	\$18,217,533	\$16,440,663	\$15,971,200	\$15,742,948	\$16,983,460	\$17,044,722	\$16,965,161	\$20,381,404	\$19,755,843	\$21,533,851	\$22,072,611	\$22,217,963	16.1%
VSU	\$286,690,500	\$270,412,402	\$265,671,068	\$258,877,097	\$31,594,340	\$32,399,567	\$37,448,756	\$32,447,219	\$33,518,097	\$36,159,579	\$39,496,141	\$39,089,683	\$41,391,979	\$42,317,298	13.9%
RBC	\$5,462,461	\$5,840,265	\$5,468,009	\$5,229,859	\$5,303,007	\$5,282,457	\$5,593,065	\$5,492,658	\$5,599,094	\$6,066,392	\$6,224,810	\$6,302,836	\$6,480,391	\$6,855,756	25.5%
VCCS	\$352,443,145	\$357,654,752	\$343,027,470	\$336,966,823	\$344,372,894	\$359,005,248	\$367,170,793	\$358,937,728	\$360,593,178	\$388,840,392	\$407,819,069	\$433,982,824	\$448,999,014	\$442,911,245	25.7%
Avg 4-Yr	\$180,432,502	\$184,530,538	\$179,268,386	\$173,958,043	\$174,979,326	\$179,319,670	\$187,913,582	\$188,093,684	\$190,589,370	\$206,194,436	\$218,023,648	\$227,711,667	\$231,132,172	\$229,984,912	27.5%
Avg 2-Yr	\$178,952,803	\$181,747,509	\$174,247,739	\$171,098,341	\$174,837,951	\$182,143,853	\$186,381,629	\$182,215,193	\$183,096,136	\$197,453,392	\$207,021,940	\$220,142,830	\$227,719,702	\$224,883,501	25.7%
All Inst.	\$1,756,916,123	\$1,799,106,890	\$1,738,159,341	\$1,687,562,986	\$1,705,473,095	\$1,758,449,150	\$1,834,871,713	\$1,821,143,785	\$1,845,116,912	\$1,993,815,984	\$2,111,946,417	\$2,215,276,506	\$2,264,863,789	\$2,250,582,097	28.1%

Source: CARs.

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Appendix O

Percent Share of Selected Educational and General Program Expenditures  
at Virginia Institutions

Institution	Selected Programs	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
CNU	Instruction	52.2%	53.8%	56.0%	56.5%	56.5%	54.6%	55.7%	53.0%	52.5%	51.7%	51.6%	51.8%	51.9%	50.3%
	Academic Support	5.7%	5.9%	4.7%	5.7%	6.6%	7.4%	6.6%	7.2%	5.1%	5.1%	4.9%	5.6%	6.3%	6.1%
	Library	7.2%	7.2%	7.1%	7.2%	8.6%	8.1%	7.7%	8.6%	9.6%	8.7%	8.2%	8.1%	7.1%	7.1%
	Student Service	9.4%	9.3%	9.2%	9.0%	8.3%	8.6%	8.0%	8.5%	9.6%	9.5%	9.0%	9.0%	9.1%	9.3%
	Institutional Support	17.1%	15.7%	15.1%	14.6%	13.5%	14.4%	14.8%	15.5%	14.1%	14.4%	14.4%	13.3%	13.7%	13.7%
	O&M	8.3%	8.1%	7.7%	6.9%	6.5%	6.8%	7.1%	7.1%	8.9%	10.3%	11.1%	11.0%	10.7%	12.1%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CWM	Instruction	54.3%	55.4%	56.9%	59.3%	57.0%	55.8%	57.2%	57.9%	57.8%	60.0%	60.1%	59.3%	59.0%	58.7%
	Academic Support	9.8%	8.8%	8.5%	8.0%	8.2%	8.8%	9.1%	9.2%	8.7%	8.4%	8.6%	9.7%	10.0%	10.2%
	Library	9.5%	8.6%	8.2%	8.2%	9.1%	10.3%	10.1%	9.8%	9.7%	9.4%	8.7%	8.9%	7.5%	8.6%
	Student Service	4.5%	4.4%	4.5%	3.9%	4.1%	4.3%	4.1%	4.1%	3.8%	3.9%	3.8%	3.8%	3.9%	4.1%
	Institutional Support	11.2%	11.2%	10.9%	9.4%	10.7%	10.4%	10.0%	9.4%	10.3%	9.8%	10.1%	9.9%	10.1%	9.7%
	O&M	8.5%	8.7%	8.4%	8.8%	8.6%	8.1%	7.3%	7.9%	8.0%	6.8%	7.1%	7.0%	8.0%	7.2%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
GMU	Instruction	53.2%	54.1%	54.9%	55.5%	55.7%	54.1%	54.1%	57.8%	58.3%	59.6%	60.0%	58.2%	57.6%	58.1%
	Academic Support	6.4%	7.4%	7.7%	6.8%	6.8%	6.2%	8.0%	6.0%	7.5%	6.5%	6.4%	7.3%	7.2%	6.9%
	Library	5.4%	5.6%	5.4%	5.2%	5.7%	5.9%	6.3%	7.4%	6.8%	6.9%	6.9%	6.6%	6.6%	6.5%
	Student Service	4.8%	4.6%	4.3%	4.8%	4.7%	4.9%	4.8%	5.1%	5.3%	5.4%	5.5%	5.5%	5.6%	5.6%
	Institutional Support	20.8%	19.1%	18.2%	18.5%	17.1%	19.4%	16.5%	14.8%	12.4%	12.8%	13.4%	14.5%	14.0%	13.8%
	O&M	9.2%	9.0%	9.2%	8.9%	9.8%	9.2%	9.5%	8.3%	9.0%	8.2%	7.1%	7.3%	8.4%	7.6%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
JMU	Instruction	55.5%	57.6%	60.8%	59.6%	60.6%	61.2%	61.1%	59.4%	56.1%	57.2%	55.2%	56.8%	53.9%	56.1%
	Academic Support	7.3%	7.1%	6.6%	7.6%	7.7%	8.4%	8.3%	9.3%	12.1%	10.1%	10.4%	9.9%	10.1%	9.7%
	Library	4.8%	5.3%	4.7%	5.4%	5.2%	5.4%	5.3%	6.2%	6.9%	6.4%	6.4%	6.1%	6.8%	7.1%
	Student Service	5.8%	5.7%	5.4%	5.3%	5.1%	5.2%	5.3%	5.3%	5.3%	5.5%	4.7%	4.8%	4.9%	5.0%
	Institutional Support	13.5%	10.1%	11.0%	10.8%	10.0%	9.0%	10.4%	10.9%	9.8%	10.0%	13.1%	12.2%	13.3%	10.9%
	O&M	12.3%	13.2%	10.6%	10.4%	10.5%	9.9%	9.1%	8.4%	9.5%	10.4%	9.8%	9.8%	10.7%	10.5%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
LU	Instruction	49.6%	48.1%	51.7%	52.4%	50.8%	49.6%	49.3%	52.7%	52.6%	52.3%	50.8%	47.4%	45.9%	48.3%
	Academic Support	8.8%	9.0%	10.1%	11.2%	10.2%	11.5%	12.3%	10.9%	11.0%	10.4%	9.1%	9.5%	10.0%	10.7%
	Library	6.8%	6.7%	5.9%	5.7%	5.9%	7.4%	7.8%	7.8%	8.3%	7.7%	7.2%	6.6%	6.4%	6.9%
	Student Service	6.3%	6.6%	6.5%	6.4%	6.8%	6.0%	6.2%	6.2%	6.2%	6.5%	6.3%	6.6%	6.6%	6.5%
	Institutional Support	16.5%	17.6%	14.9%	13.9%	14.4%	14.6%	13.3%	12.5%	12.4%	12.9%	16.3%	17.9%	17.8%	15.3%
	O&M	11.4%	11.4%	9.8%	9.3%	10.9%	9.6%	10.4%	9.2%	8.7%	9.4%	9.2%	10.3%	11.8%	10.5%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix O

Percent Share of Selected Educational and General Program Expenditures  
at Virginia Institutions

Institution	Selected Programs	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	
MWC	Instruction	56.2%	55.3%	58.0%	57.0%	54.4%	51.6%	52.4%	52.3%	51.3%	52.7%	52.9%	52.8%	52.3%	52.4%	
	Academic Support	11.4%	10.9%	10.6%	11.2%	11.1%	10.7%	10.6%	11.8%	4.6%	5.6%	5.3%	5.2%	5.6%	5.8%	
	Library									6.4%	6.7%	6.1%	5.9%	6.1%	5.9%	
	Student Service	6.8%	7.9%	7.2%	7.0%	7.5%	8.1%	8.8%	9.0%	10.3%	9.2%	9.0%	8.6%	9.5%	9.5%	
	Institutional Support	12.6%	13.1%	11.6%	12.1%	12.5%	15.2%	13.9%	14.2%	12.5%	12.6%	13.5%	13.3%	12.9%	14.0%	
	O&M	12.8%	12.7%	12.5%	12.6%	13.2%	12.4%	12.9%	10.9%	10.9%	13.3%	11.8%	12.8%	12.4%	11.9%	
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	Instruction	55.5%	55.7%	52.3%	52.8%	55.0%	55.5%	53.9%	53.7%	52.5%	52.5%	52.8%	52.6%	48.6%	44.4%	47.2%
	Academic Support	5.2%	5.0%	5.1%	4.7%	5.5%	5.2%	5.8%	5.7%	6.4%	6.4%	6.3%	3.8%	4.8%	7.1%	7.3%
	Library	3.4%	4.2%	3.5%	3.2%	3.9%	3.9%	3.7%	3.7%	3.4%	3.9%	3.7%	3.4%	3.3%	3.9%	2.6%
Student Service	9.6%	9.6%	9.8%	9.6%	8.6%	9.2%	8.2%	8.2%	8.6%	8.2%	8.0%	7.5%	6.4%	7.0%	6.1%	
Institutional Support	15.6%	13.4%	16.8%	16.8%	14.4%	14.3%	17.0%	17.0%	17.5%	17.1%	18.2%	21.8%	25.6%	24.2%	25.2%	
O&M	9.7%	11.3%	11.1%	11.6%	11.8%	11.1%	10.5%	10.5%	10.1%	11.0%	10.1%	10.1%	9.9%	12.2%	10.1%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
ODU	Instruction	54.5%	56.3%	58.7%	59.5%	60.1%	60.6%	60.6%	61.9%	60.5%	57.7%	56.1%	55.6%	58.7%	57.8%	
	Academic Support	8.5%	7.3%	7.0%	6.6%	7.0%	7.4%	8.5%	8.7%	9.9%	11.2%	14.7%	16.2%	12.8%	13.3%	
	Library	5.2%	4.5%	4.6%	4.9%	4.8%	4.9%	4.8%	4.6%	4.7%	4.6%	4.5%	4.3%	4.3%	4.4%	
	Student Service	6.3%	6.7%	6.7%	6.5%	5.7%	5.6%	5.6%	5.1%	5.1%	5.0%	4.6%	4.3%	4.2%	4.4%	
	Institutional Support	15.2%	15.6%	14.2%	13.0%	12.9%	11.7%	11.5%	11.3%	11.4%	13.2%	12.4%	12.0%	10.5%	11.2%	
	O&M	9.9%	9.2%	8.5%	8.6%	8.3%	8.5%	8.1%	7.7%	7.7%	7.7%	7.1%	7.0%	9.0%	8.5%	
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
	Instruction	60.4%	59.4%	65.0%	63.7%	62.4%	61.6%	60.6%	63.6%	63.9%	61.7%	61.7%	60.2%	60.0%	58.0%	57.7%
	Academic Support	4.5%	5.1%	3.9%	4.7%	4.7%	5.9%	6.9%	4.6%	4.8%	5.4%	6.2%	5.5%	5.6%	5.7%	
	Library	4.6%	4.3%	4.5%	4.3%	5.2%	4.7%	6.0%	4.0%	4.6%	5.4%	5.4%	4.4%	4.6%	4.6%	
Student Service	5.3%	5.3%	5.4%	5.4%	5.3%	5.6%	5.6%	5.7%	5.9%	6.1%	6.3%	6.5%	6.1%	6.3%		
Institutional Support	15.4%	13.2%	11.9%	12.4%	11.6%	11.3%	12.1%	12.7%	10.8%	10.8%	11.6%	11.9%	12.3%	14.6%		
O&M	9.8%	12.6%	9.3%	9.4%	10.8%	10.9%	8.8%	9.5%	9.9%	9.9%	9.8%	11.0%	11.3%	10.9%		
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
UVA	Instruction	54.7%	54.9%	55.8%	55.0%	56.2%	56.6%	55.5%	55.5%	54.6%	53.7%	54.3%	54.0%	53.5%	47.8%	
	Academic Support	16.4%	16.5%	17.0%	16.6%	17.0%	17.4%	18.5%	14.7%	10.3%	10.7%	10.3%	10.5%	9.4%	17.6%	
	Library						0.2%	0.2%	3.7%	7.5%	7.3%	7.8%	6.4%	6.9%	7.1%	
	Student Service	4.3%	4.3%	4.0%	4.1%	4.0%	4.2%	4.1%	4.3%	4.0%	3.9%	4.0%	4.2%	4.3%	4.5%	
	Institutional Support	9.9%	10.2%	9.2%	10.6%	9.4%	8.5%	9.0%	8.4%	8.4%	9.4%	9.5%	11.4%	12.6%	7.0%	
	O&M	10.8%	10.0%	10.2%	10.6%	10.7%	10.5%	10.5%	10.8%	12.3%	11.0%	11.3%	10.6%	10.3%	11.5%	
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

**Appendix O**  
**Percent Share of Selected Educational and General Program Expenditures**  
**at Virginia Institutions**

Institution	Selected Programs	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
UVAW	Instruction	45.3%	46.3%	44.7%	43.9%	46.7%	48.6%	45.6%	46.3%	44.6%	44.6%	45.1%	46.0%	45.9%	46.4%
	Academic Support	15.5%	13.1%	12.7%	12.1%	10.9%	5.1%	5.0%	5.9%	4.9%	6.7%	1.6%	2.1%	1.1%	7.6%
	Library			0.3%			7.2%	7.3%	7.4%	6.1%	6.3%	6.2%	5.9%	5.6%	5.3%
	Student Service	12.0%	12.9%	13.5%	13.7%	12.1%	10.2%	8.9%	9.9%	9.9%	9.9%	9.6%	9.4%	10.0%	9.9%
	Institutional Support	14.6%	14.3%	14.5%	13.0%	14.6%	14.5%	17.1%	16.7%	18.6%	18.6%	24.2%	23.3%	23.1%	17.6%
	O&M	12.3%	13.2%	13.9%	15.8%	14.4%	14.4%	16.1%	13.6%	15.8%	13.8%	13.2%	13.1%	14.2%	13.1%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Instruction	59.0%	59.8%	60.3%	60.6%	59.7%	59.6%	59.4%	59.8%	59.3%	58.6%	58.6%	59.3%	59.2%	57.9%
VCU	Academic Support	9.3%	9.3%	9.0%	9.1%	9.4%	8.7%	9.1%	8.9%	9.7%	11.2%	9.9%	9.9%	10.3%	10.8%
	Library	3.6%	3.4%	3.1%	3.6%	4.5%	5.2%	4.8%	4.6%	4.4%	4.5%	3.9%	3.7%	3.8%	3.6%
	Student Service	3.7%	3.5%	3.6%	3.6%	3.4%	3.5%	3.6%	3.4%	3.2%	2.9%	3.1%	3.1%	3.3%	3.3%
	Institutional Support	13.0%	12.3%	11.7%	11.0%	10.0%	10.5%	10.4%	10.6%	11.4%	11.9%	11.9%	12.0%	12.6%	12.1%
	O&M	10.9%	10.8%	11.4%	11.2%	12.1%	11.3%	11.4%	11.5%	10.8%	9.6%	10.3%	10.2%	10.1%	11.2%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Instruction	48.4%	49.6%	49.6%	51.2%	54.1%	55.4%	53.9%	51.5%	50.6%	48.9%	48.9%	49.5%	47.3%	46.4%
	Academic Support	8.9%	6.6%	7.7%	10.3%	9.7%	8.3%	8.5%	9.4%	7.5%	8.7%	8.7%	7.5%	9.9%	7.1%
VMI	Library	7.8%	7.2%	8.8%	8.7%	7.7%	7.3%	7.8%	5.6%	5.3%	5.3%	5.5%	5.1%	5.3%	5.0%
	Student Service	4.2%	4.4%	5.2%	5.5%	6.1%	5.9%	6.3%	5.7%	8.5%	6.9%	7.3%	7.8%	7.9%	7.5%
	Institutional Support	14.9%	17.9%	15.8%	10.9%	9.1%	9.6%	10.7%	13.2%	14.4%	17.7%	17.0%	17.8%	18.6%	16.0%
	O&M	15.0%	13.5%	12.2%	12.9%	12.3%	12.7%	12.3%	13.9%	12.9%	12.0%	11.4%	11.7%	14.1%	13.3%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Instruction	40.7%	39.9%	44.7%	48.7%	48.5%	45.2%	40.3%	44.9%	42.0%	42.4%	41.4%	44.7%	44.1%	44.0%
	Academic Support	3.3%	3.2%	3.5%	3.7%	3.3%	3.7%	2.9%	2.8%	3.4%	4.6%	4.4%	3.0%	3.5%	4.3%
	Library	5.3%	3.3%	4.7%	2.9%	4.5%	4.6%	6.2%	5.5%	4.9%	5.1%	4.6%	5.5%	4.3%	5.4%
VSU	Student Service	5.1%	5.5%	5.9%	5.0%	4.4%	5.7%	5.6%	6.5%	7.1%	7.9%	7.1%	6.9%	7.7%	6.9%
	Institutional Support	26.9%	25.6%	19.6%	20.9%	19.2%	18.5%	22.1%	18.3%	14.6%	14.3%	15.4%	17.6%	17.0%	16.1%
	O&M	11.4%	14.9%	14.6%	12.0%	13.5%	15.9%	17.0%	15.4%	21.1%	19.3%	20.3%	21.8%	22.8%	22.7%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	Instruction	64.0%	63.7%	65.6%	61.5%	63.5%	61.3%	58.2%	57.3%	55.2%	56.8%	59.8%	59.3%	59.4%	57.7%
	Academic Support	12.9%	12.7%	12.8%	14.3%	13.8%	13.6%	13.6%	13.6%	7.6%	7.4%	7.8%	8.0%	7.4%	7.9%
	Library									4.8%	4.2%	3.6%	4.3%	3.9%	4.1%
	Student Service	3.7%	3.9%	4.7%	4.3%	4.0%	3.9%	3.4%	3.5%	3.5%	3.5%	4.2%	4.1%	4.0%	4.0%
VT	Institutional Support	9.5%	9.4%	7.0%	8.9%	9.7%	11.4%	10.7%	12.1%	15.0%	14.3%	10.5%	9.6%	9.6%	9.5%
	O&M	10.0%	10.3%	10.0%	11.0%	9.0%	9.9%	9.4%	9.4%	9.8%	9.4%	10.0%	9.8%	9.7%	9.5%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix O

Percent Share of Selected Educational and General Program Expenditures  
at Virginia Institutions

Institution	Selected Programs	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
RBC	Instruction	42.7%	43.8%	45.3%	45.5%	44.9%	44.8%	44.0%	45.1%	44.6%	45.2%	50.5%	48.3%	45.7%	44.4%
	Academic Support	1.6%		0.8%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%				
	Library	4.2%	4.3%	3.5%	3.3%	4.3%	4.3%	6.8%	6.5%	6.2%	5.3%	5.0%	5.0%	5.1%	4.7%
	Student Service	10.6%	11.6%	10.0%	10.2%	10.3%	9.9%	10.1%	10.2%	10.1%	12.4%	9.1%	8.7%	9.5%	8.8%
	Institutional Support	22.6%	24.2%	24.4%	23.9%	23.3%	23.6%	22.6%	21.8%	23.3%	23.0%	21.8%	23.7%	24.8%	29.9%
	O&M	18.1%	16.1%	15.9%	16.3%	16.4%	16.6%	15.8%	15.6%	15.1%	13.3%	13.5%	14.3%	15.0%	12.2%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
VCCS	Instruction	52.0%	52.1%	52.8%	52.2%	53.4%	51.8%	51.2%	51.5%	51.2%	50.8%	50.8%	49.5%	48.7%	48.9%
	Academic Support	8.3%	8.4%	8.3%	8.3%	7.9%	8.7%	8.3%	8.1%	8.3%	8.3%	8.2%	8.9%	8.8%	8.5%
	Library	3.4%	3.3%	3.1%	3.3%	3.1%	3.2%	3.3%	3.1%	3.0%	3.1%	3.1%	3.0%	3.0%	3.1%
	Student Service	8.5%	8.6%	8.7%	8.5%	8.1%	8.1%	7.9%	8.2%	8.0%	8.2%	8.3%	8.1%	8.3%	8.3%
	Institutional Support	19.8%	19.5%	19.1%	19.5%	19.1%	19.5%	20.6%	20.1%	20.7%	21.0%	20.8%	21.2%	21.5%	22.1%
	O&M	7.9%	7.9%	7.8%	8.0%	8.1%	8.5%	8.4%	8.5%	8.3%	8.0%	8.1%	8.7%	8.6%	8.0%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: CARS.

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Appendix P

History of Inflation Adjusted Educational and General Program Expenditures per FTE Student

Institution	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	1988-02
CNU	\$5,967	\$5,896	\$5,706	\$5,565	\$6,055	\$6,740	\$6,926	\$7,152	\$7,404	\$7,700	\$8,234	\$8,162	\$7,886	\$7,524	26.1%
CWM	\$10,876	\$10,769	\$10,328	\$9,977	\$9,998	\$10,511	\$10,802	\$10,692	\$10,611	\$11,203	\$11,881	\$12,600	\$13,066	\$12,778	17.5%
GMU	\$8,486	\$8,590	\$8,368	\$8,060	\$8,196	\$8,878	\$8,917	\$8,590	\$8,708	\$9,273	\$9,805	\$10,471	\$10,876	\$10,491	23.6%
JMU	\$6,914	\$6,891	\$6,564	\$6,246	\$6,230	\$6,524	\$6,707	\$6,895	\$6,956	\$7,098	\$7,746	\$7,872	\$8,229	\$7,997	15.7%
LU	\$7,432	\$7,325	\$6,822	\$6,562	\$6,744	\$7,229	\$7,351	\$7,322	\$7,368	\$7,851	\$8,028	\$8,350	\$8,174	\$7,544	1.5%
MWC	\$7,874	\$7,722	\$6,952	\$6,748	\$8,271	\$8,197	\$7,964	\$8,051	\$7,713	\$7,940	\$8,547	\$9,518	\$9,103	\$8,789	11.6%
NSU	\$7,360	\$7,542	\$7,291	\$6,619	\$6,484	\$6,593	\$7,141	\$7,296	\$7,282	\$8,079	\$8,284	\$10,462	\$11,265	\$11,960	62.5%
ODU	\$8,433	\$8,418	\$7,969	\$7,710	\$8,373	\$8,744	\$8,838	\$9,052	\$8,653	\$9,131	\$10,100	\$10,439	\$10,251	\$9,425	11.8%
RU	\$6,099	\$6,378	\$6,142	\$5,841	\$5,998	\$6,296	\$6,887	\$6,883	\$6,859	\$7,224	\$7,501	\$7,499	\$7,526	\$6,995	14.7%
UVA	\$13,596	\$13,739	\$13,113	\$13,060	\$12,934	\$13,054	\$13,807	\$13,399	\$13,318	\$14,102	\$14,631	\$15,530	\$15,423	\$15,137	11.3%
UVAW	\$7,285	\$7,937	\$7,381	\$6,683	\$7,287	\$7,588	\$8,804	\$8,045	\$8,226	\$8,740	\$9,326	\$9,664	\$10,482	\$9,869	35.5%
VCU	\$13,782	\$13,502	\$12,623	\$12,147	\$11,919	\$12,442	\$12,951	\$12,907	\$12,792	\$13,724	\$14,165	\$14,425	\$14,732	\$14,284	3.6%
VMI	\$12,319	\$12,001	\$11,523	\$10,946	\$10,799	\$11,149	\$12,036	\$12,192	\$12,092	\$13,588	\$12,762	\$14,375	\$14,656	\$14,569	18.3%
VSU	\$10,817	\$10,640	\$10,824	\$8,552	\$7,944	\$8,652	\$10,018	\$9,033	\$9,530	\$9,757	\$10,561	\$10,271	\$10,844	\$10,150	-6.2%
VT	\$10,857	\$10,955	\$10,505	\$10,062	\$10,133	\$10,325	\$11,230	\$11,389	\$11,252	\$11,849	\$12,220	\$12,565	\$12,438	\$12,356	13.8%
RBC	\$6,526	\$6,411	\$5,637	\$5,240	\$5,240	\$5,668	\$6,053	\$5,919	\$5,814	\$6,433	\$6,525	\$6,807	\$7,113	\$7,270	11.4%
VCCS	\$5,688	\$5,143	\$4,769	\$4,489	\$4,537	\$4,765	\$4,961	\$4,934	\$5,047	\$5,234	\$5,274	\$5,385	\$5,411	\$4,946	-13.0%
Avg 4-Yr	\$10,065	\$10,078	\$9,626	\$9,205	\$9,301	\$9,650	\$10,143	\$10,088	\$10,024	\$10,611	\$11,112	\$11,606	\$11,726	\$11,379	13.1%
Avg 2-Yr	\$5,699	\$5,159	\$4,781	\$4,499	\$4,546	\$4,776	\$4,975	\$4,947	\$5,058	\$5,249	\$5,289	\$5,401	\$5,429	\$4,971	-12.8%
All Inst.	\$8,706	\$8,450	\$8,000	\$7,594	\$7,659	\$7,965	\$8,375	\$8,351	\$8,389	\$8,826	\$9,139	\$9,449	\$9,509	\$9,048	3.9%

Source: CARS.

**Appendix Q**  
**Comparison of Selected Educational and General Expenditures between Virginia Institutions and Peer Average**

Institutions	1988-89			1994-95			2000-01		
	Acad Exp	Adm Exp	O&M	Acad Exp	Adm Exp	O&M	Acad Exp	Adm Exp	O&M
CNU	64.4%	27.5%	8.1%	69.5%	23.3%	7.1%	65.5%	23.7%	10.8%
CNU Peer Avg	61.0%	25.8%	13.2%	59.7%	27.6%	12.7%	58.3%	28.8%	12.9%
CWM	73.2%	18.7%	8.0%	75.0%	18.3%	6.7%	76.8%	15.6%	7.5%
CWM Peer Avg	71.1%	17.5%	11.4%	72.7%	16.4%	10.9%	71.2%	17.7%	11.1%
GMU	66.6%	24.9%	8.5%	70.1%	21.7%	8.2%	71.7%	20.4%	7.9%
GMU Peer Avg	70.1%	18.3%	11.6%	70.9%	18.5%	10.6%	69.5%	20.0%	10.6%
JMU	68.3%	19.1%	12.6%	75.7%	15.8%	8.4%	72.5%	15.6%	11.9%
JMU Peer Avg	60.0%	19.4%	11.6%	68.8%	20.7%	10.6%	67.6%	21.1%	11.2%
LU	64.3%	24.0%	11.7%	71.8%	20.8%	7.4%	62.5%	25.8%	11.8%
LU Peer Avg	61.8%	24.6%	13.6%	63.6%	25.0%	11.4%	60.7%	27.6%	11.7%
MWC	64.6%	21.1%	14.3%	63.5%	23.7%	12.8%	65.8%	23.4%	10.8%
MWC Peer Avg	61.0%	24.0%	15.0%	61.1%	24.3%	14.6%	58.5%	25.8%	15.7%
NSU	66.0%	24.8%	9.2%	62.6%	26.9%	10.5%	60.8%	26.5%	12.7%
NSU Peer Avg	66.2%	20.1%	13.8%	66.6%	21.7%	11.7%	65.0%	23.2%	11.7%
ODU	68.3%	22.3%	9.4%	72.6%	19.5%	7.9%	74.7%	17.7%	7.5%
ODU Peer Avg	68.6%	19.1%	12.3%	70.0%	19.0%	10.9%	67.9%	21.6%	10.6%
RU	69.2%	21.1%	9.7%	73.1%	17.9%	9.0%	69.8%	19.8%	10.4%
RU Peer Avg	65.4%	22.4%	12.2%	66.4%	22.6%	11.0%	64.4%	24.7%	10.9%
UVA	74.8%	15.6%	9.6%	76.8%	14.8%	8.4%	74.1%	16.9%	9.0%
UVA Peer Avg	71.8%	16.2%	12.0%	71.9%	16.8%	11.3%	71.1%	17.5%	11.4%
UVAW	60.2%	28.2%	11.6%	58.3%	25.8%	15.9%	58.5%	28.4%	13.1%
UVAW Peer Avg	61.2%	27.2%	11.6%	60.3%	27.3%	12.3%	57.1%	30.4%	12.5%
VCU	74.4%	15.2%	10.4%	75.8%	13.9%	10.3%	78.5%	12.8%	8.7%
VCU Peer Avg	70.6%	17.4%	12.0%	71.5%	17.5%	11.0%	70.3%	18.9%	10.9%
VMI	61.0%	24.8%	14.2%	59.2%	29.2%	11.6%	56.3%	29.6%	14.1%
VMI Peer Avg	66.3%	21.7%	12.1%	68.0%	21.8%	10.2%	43.6%	30.3%	26.0%
VSU	50.9%	37.8%	11.3%	50.7%	30.5%	18.7%	54.0%	25.5%	20.5%
VSU Peer Avg	62.6%	24.2%	13.2%	62.9%	25.0%	12.2%	61.9%	25.9%	12.2%
VT	76.0%	13.9%	10.1%	73.3%	16.9%	9.8%	74.0%	15.4%	10.5%
VT Peer Avg	71.0%	16.8%	12.2%	70.9%	16.5%	11.2%	70.9%	17.7%	11.4%
RBC	47.0%	34.6%	18.4%	50.6%	32.8%	16.5%	50.7%	34.3%	14.9%
RBC Peer Avg	58.6%	29.2%	12.3%	59.3%	29.6%	11.2%	61.5%	28.2%	10.4%
VCCS	66.3%	25.8%	7.9%	66.3%	25.7%	8.0%	65.1%	25.0%	9.9%
VCCS Peer Avg	60.8%	27.5%	11.7%	61.7%	27.6%	10.8%	60.9%	27.8%	11.3%
Virginia Avg	70.5%	19.9%	9.6%	71.5%	19.4%	9.1%	71.3%	18.9%	9.8%
Peer Avg	68.2%	19.8%	12.1%	68.6%	20.3%	11.1%	66.9%	21.5%	11.5%

Note: Academic expenditures include spending for instruction and academic support. Administrative expenditures include spending for student service and institutional support.

Source: IPEDS Finance.



## Appendix R

### Consumer Price Index as Inflation Factor

Fiscal Year	Index
1988-89	1.4729
1989-90	1.4057
1990-91	1.3336
1991-92	1.2919
1992-93	1.2528
1993-94	1.2225
1994-95	1.1873
1995-96	1.1557
1996-97	1.1235
1997-98	1.1038
1998-99	1.0832
1999-00	1.0537
2000-01	1.0220
2001-02	1.0000
2002-03	0.9809
2003-04	0.9584

Source: VEC.



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James Monroe Building  
101 North Fourteenth Street  
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Tel: (804) 225-2600  
Fax: (804) 225-2604  
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