



HJR 108: Overview and Status of JLARC Reports on Higher Education in Virginia

Study Mandate

HJR 108 (2012)

Study the factors affecting the cost efficiency of higher education operations and identify opportunities to reduce cost of public higher education in Virginia

For full text see HJR 108 (2012)

Five Reports in JLARC Higher Education Series

Report Title	Major Topics	Release Date
1. Trends in Higher Education	Spending, revenue, enrollment, graduation, student costs, borrowing	June 10, 2013
2. Review of Auxiliary Enterprises	Housing, dining, intercollegiate athletics, campus recreation, debt service	September 9, 2013
3. Review of Instruction and Research	Faculty workload and compensation, research, facilities	December 9, 2013
4. Review of Administrative Efficiency	Administrative staffing, IT, procurement	2014
5. Strategies and Options	Ways to improve efficiency and effectiveness	2014

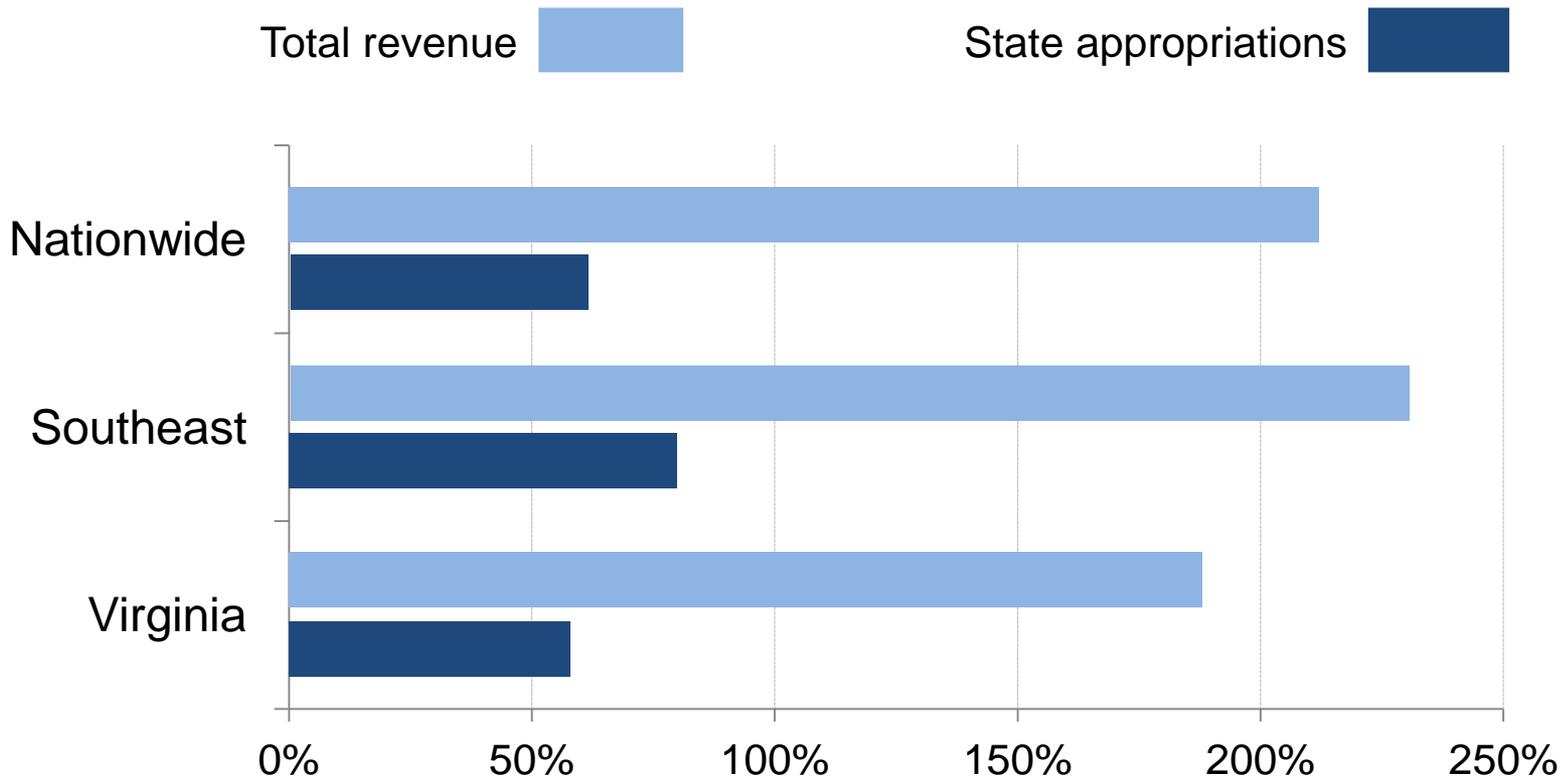
In This Presentation

Trends in Higher Education

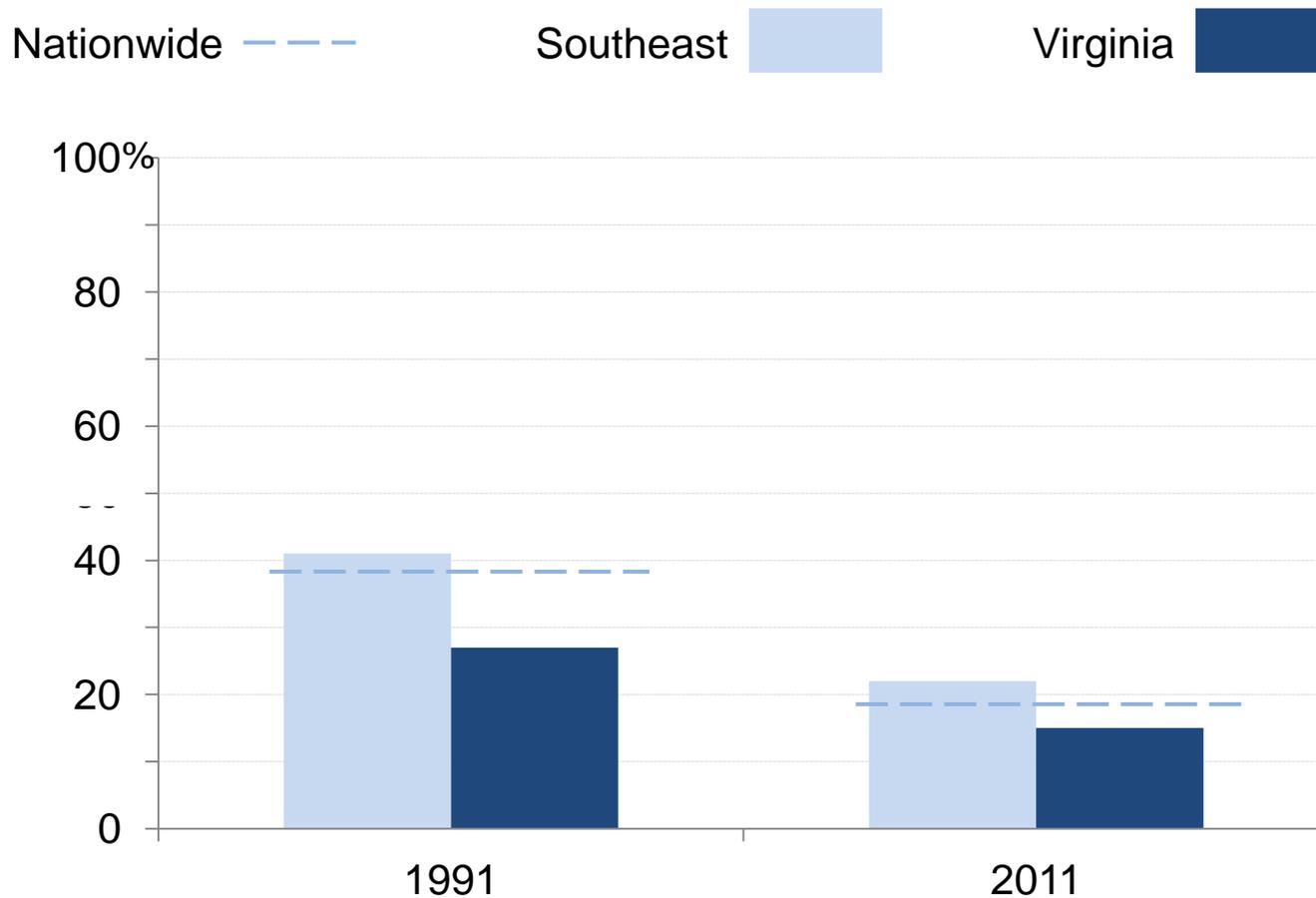
Auxiliary Enterprises

Upcoming JLARC Higher Education Studies

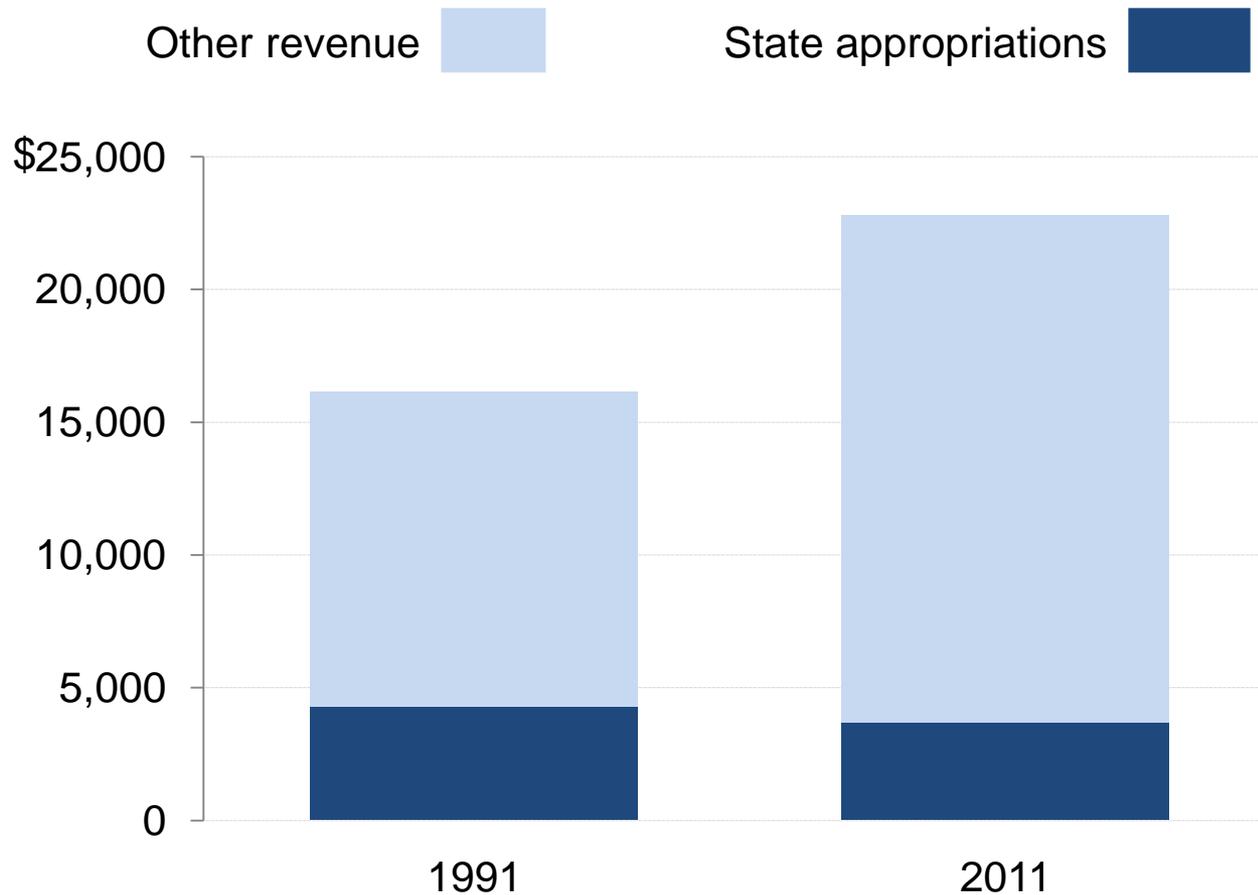
State Appropriations Have Not Increased as Much as Total Revenue (1991 – 2011)



Virginia Institutions Derive Less of Total Revenue from the State



State Funds Per Student, Adjusted for Inflation, Declined 22% (1991 – 2011)



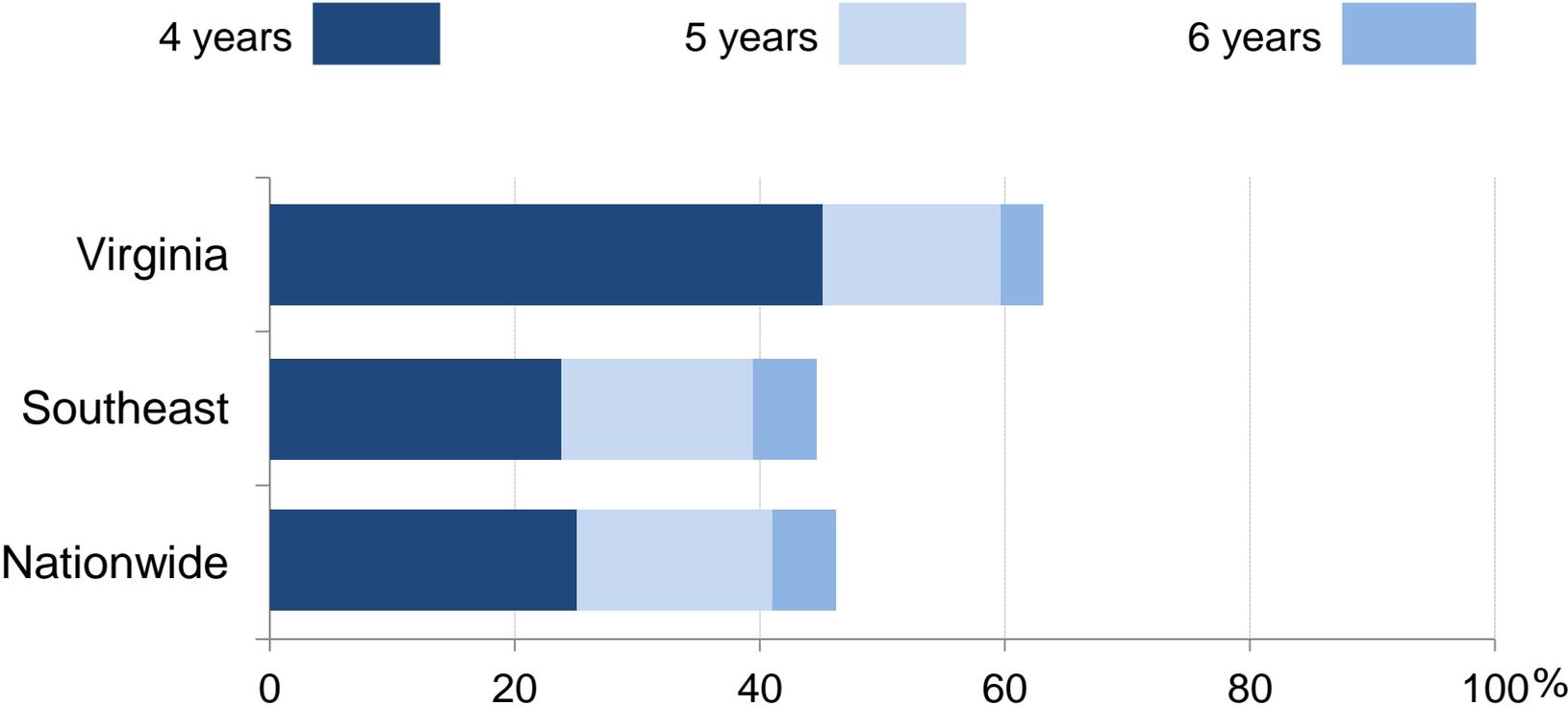
In Virginia, Portion of Total Revenue
Students Pay Through Tuition and Fees
Increased 44% (1991 – 2011)

% of Total Revenue From Tuition and Fees	
1991	16%
2011	23
% Increase	
1991 to 2011	44

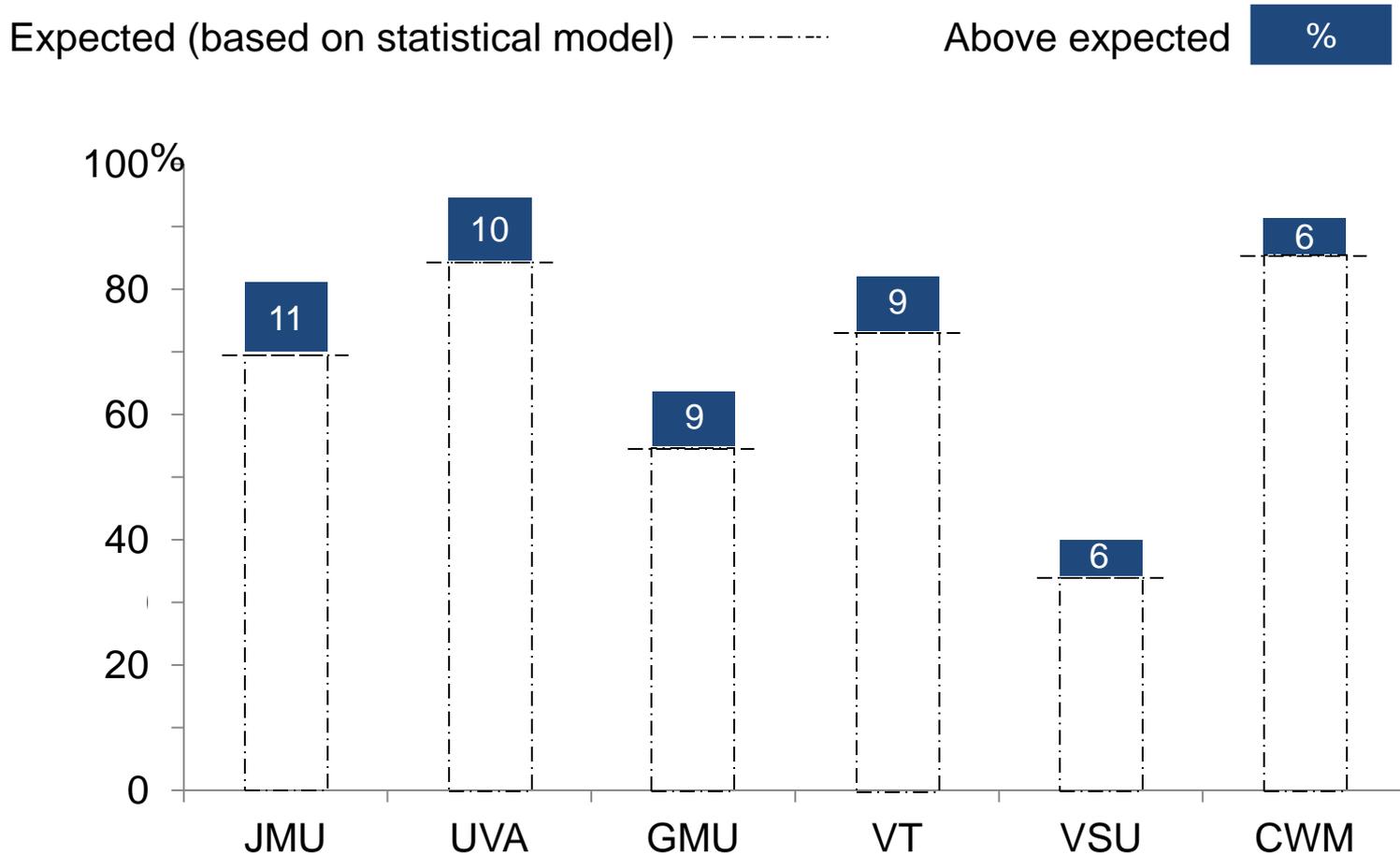
Enrollment Increased 40% in Virginia (1991-92 to 2011-12)

- Total full-time undergraduate enrollment across **Virginia's 15 public higher education institutions**
 - 103,830 in 1991-92
 - 145,425 in 2011-12
- Most Virginia institutions increased enrollment
 - RU remained about the same
 - NSU decreased by about one-fifth
- **Virginia's public four year enrollment increased more than national average**

A Higher Percentage of Virginia Students Graduate—and in Fewer Years

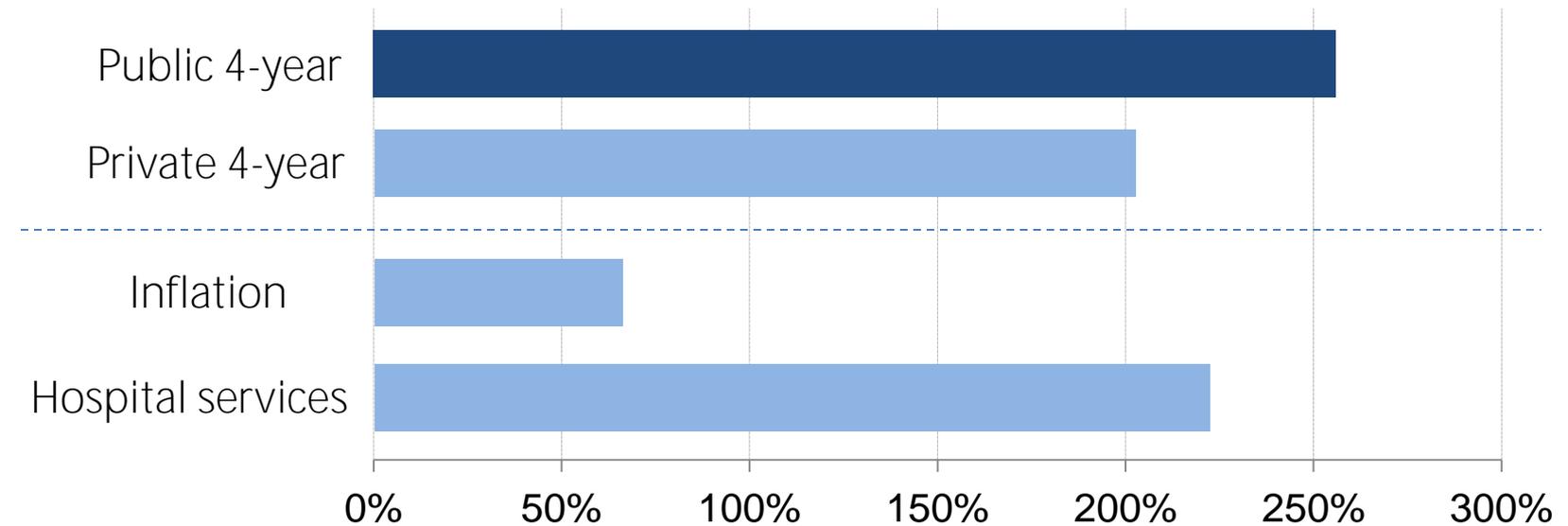


Some Schools Graduate More Students Than Expected Based on Student and Institutional Factors



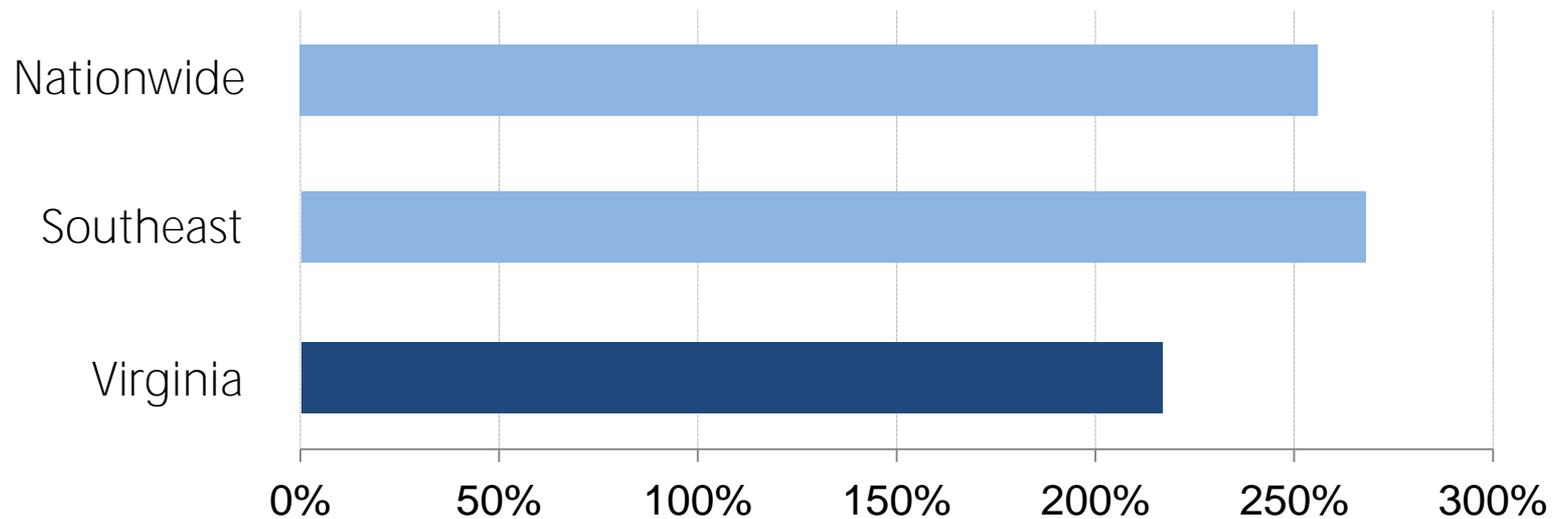
Nationally, Public Tuition and Fees Have Outpaced Private Tuition, Inflation, and Hospitals (1991 – 2011)

Average tuition & fees (nationwide)

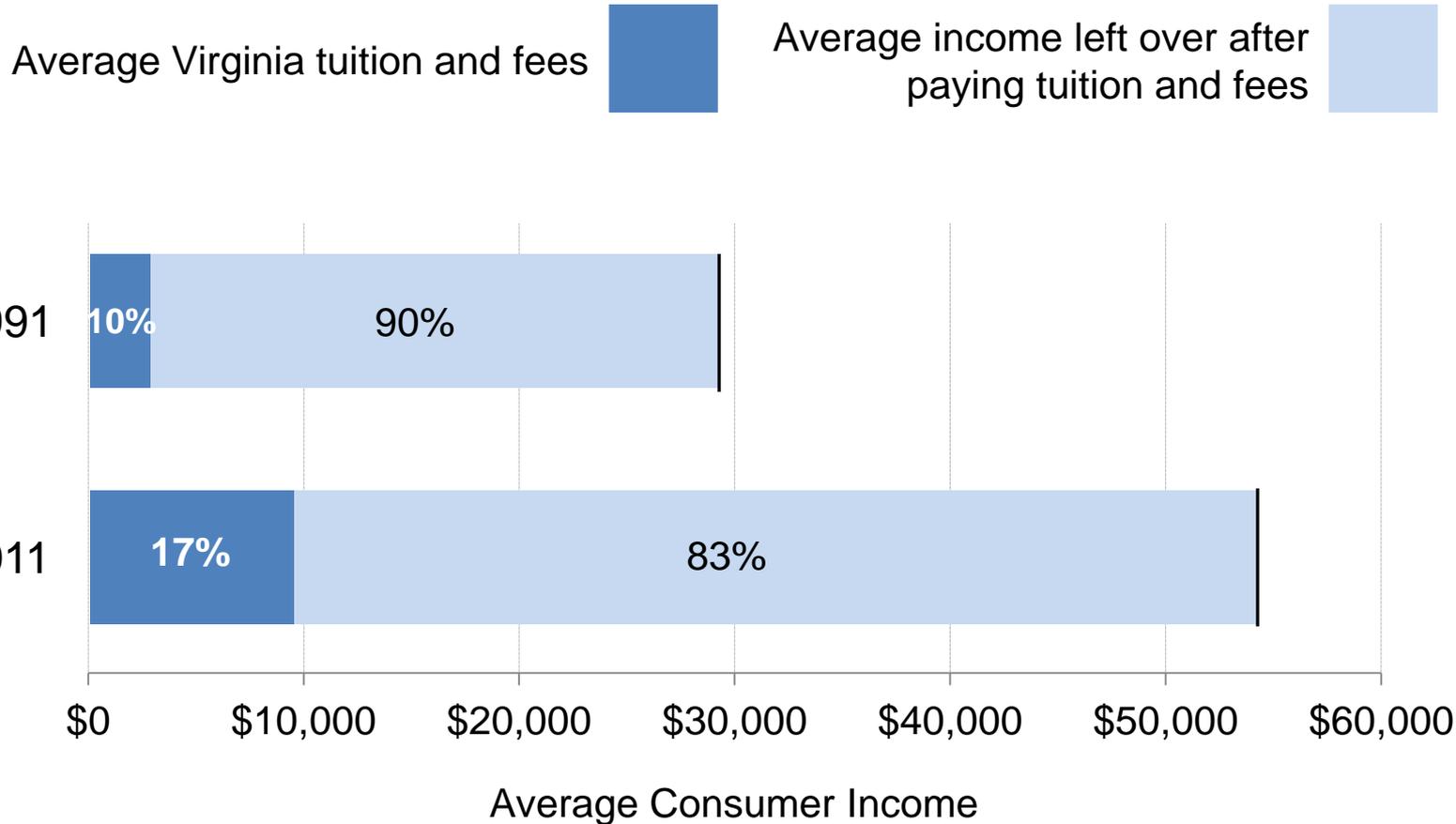


Average Tuition and Fees Have Increased Slightly Less in Virginia Than Nationally (1991 – 2011)

Average tuition & fees (public 4-year)



Income Increased 86%, While Tuition and Fees More Than Tripled (1991 - 2011)



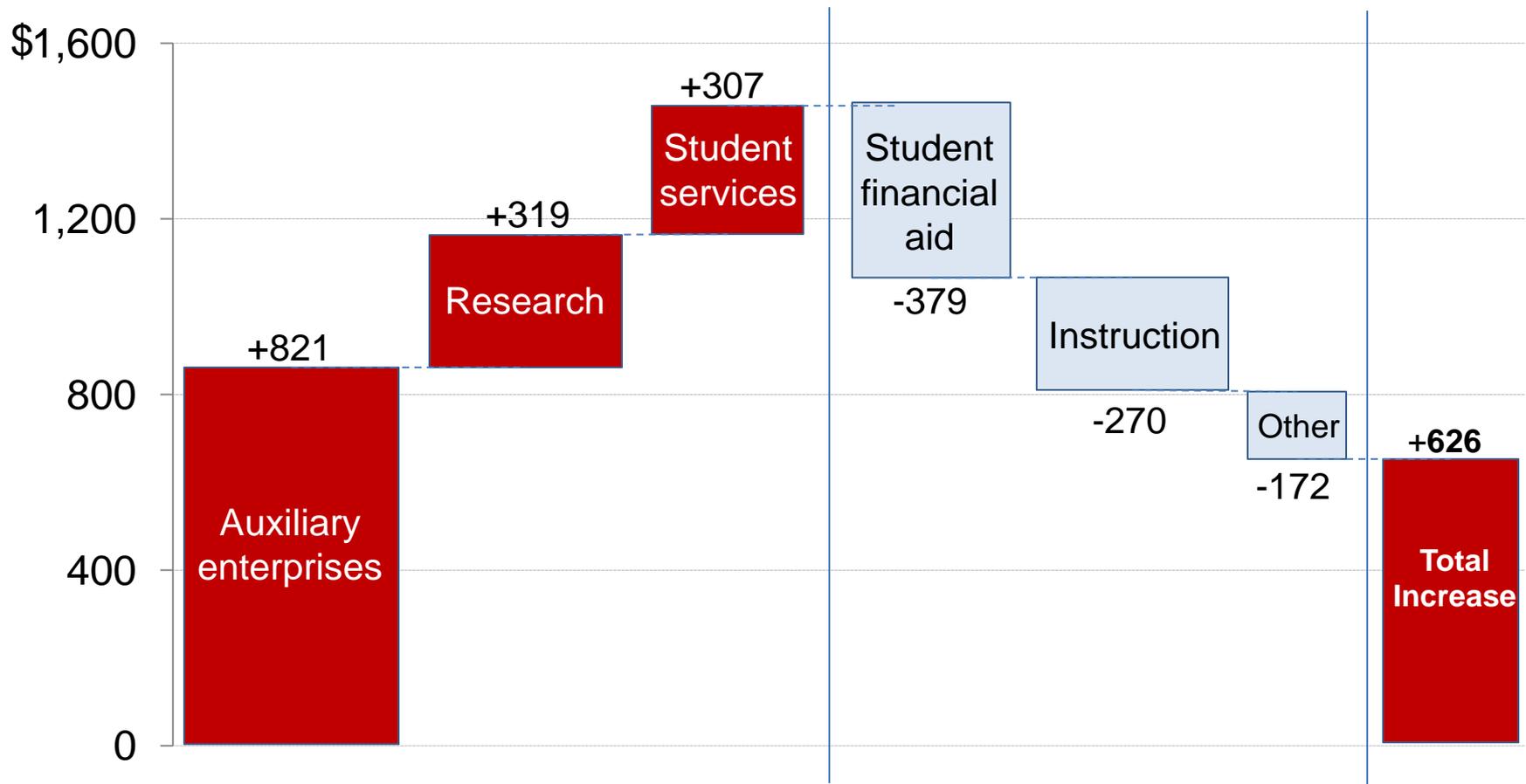
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Trends in Higher Education

Auxiliary Enterprises

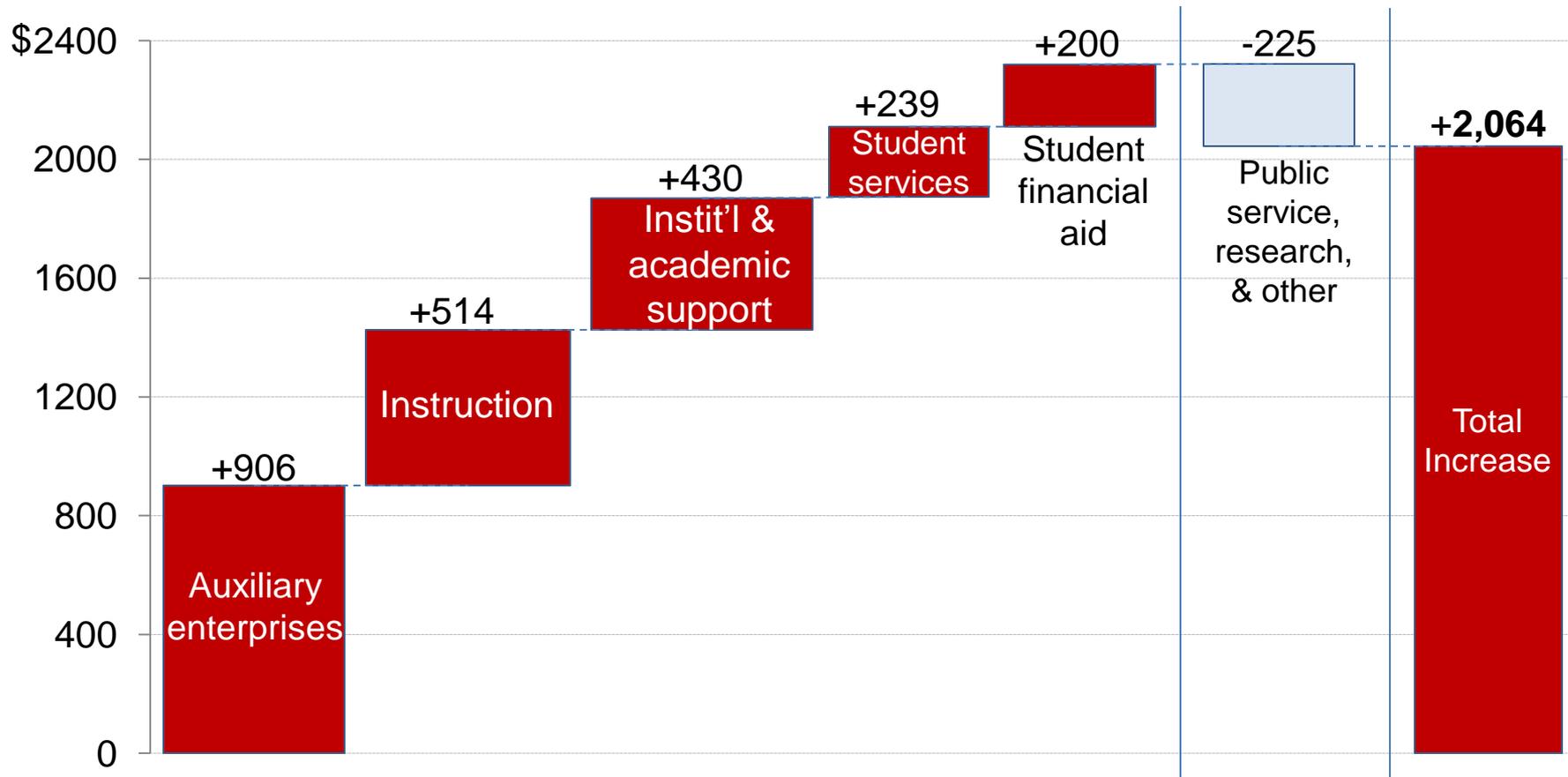
Upcoming JLARC Higher Education Studies

Auxiliary Enterprises Drove Spending Increase at Research Institutions (2001 - 2011)



Note: Net change, per student, inflation-adjusted. UVA hospital spending removed.

Auxiliary Enterprises Drove Spending Increase at Non-Research Institutions (2001 - 2011)

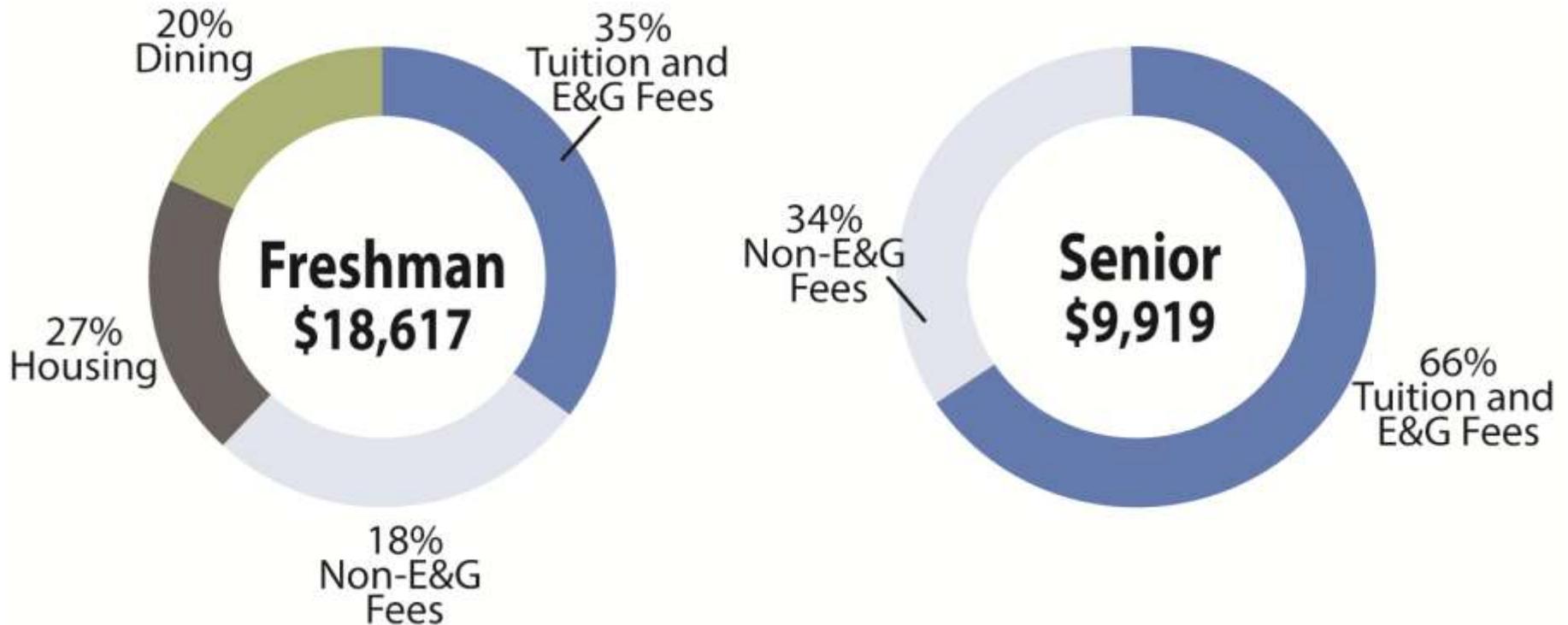


Note: Net change, per student, inflation-adjusted.

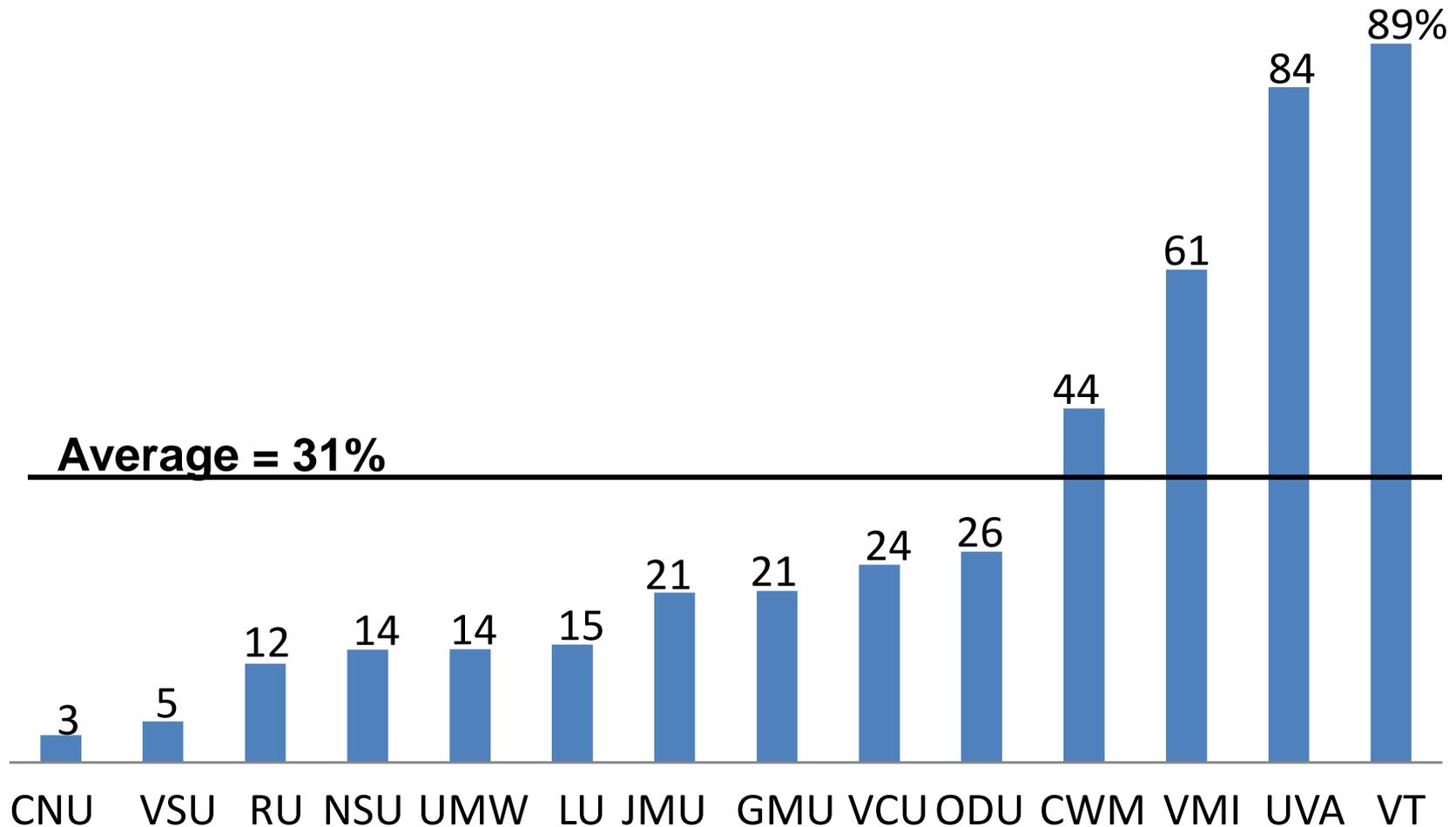
Price of Auxiliary Enterprise Services Increased, But Not As Much As Tuition

	2003-04 Average	2012-13 Average	Total	Average Annual Increase
Tuition and E&G Fees	\$3,178	\$6,501	105%	8%
Non-E&G Fees	1,958	3,418	75	7
Housing Charges	3,217	5,090	58	5
Dining Charges	2,489	3,609	45	4

Price of Auxiliary Enterprise Services Can Be Substantial Portion of Total Price



Most Athletic Programs Generate Less Than Half of Total Revenue (2011-12)



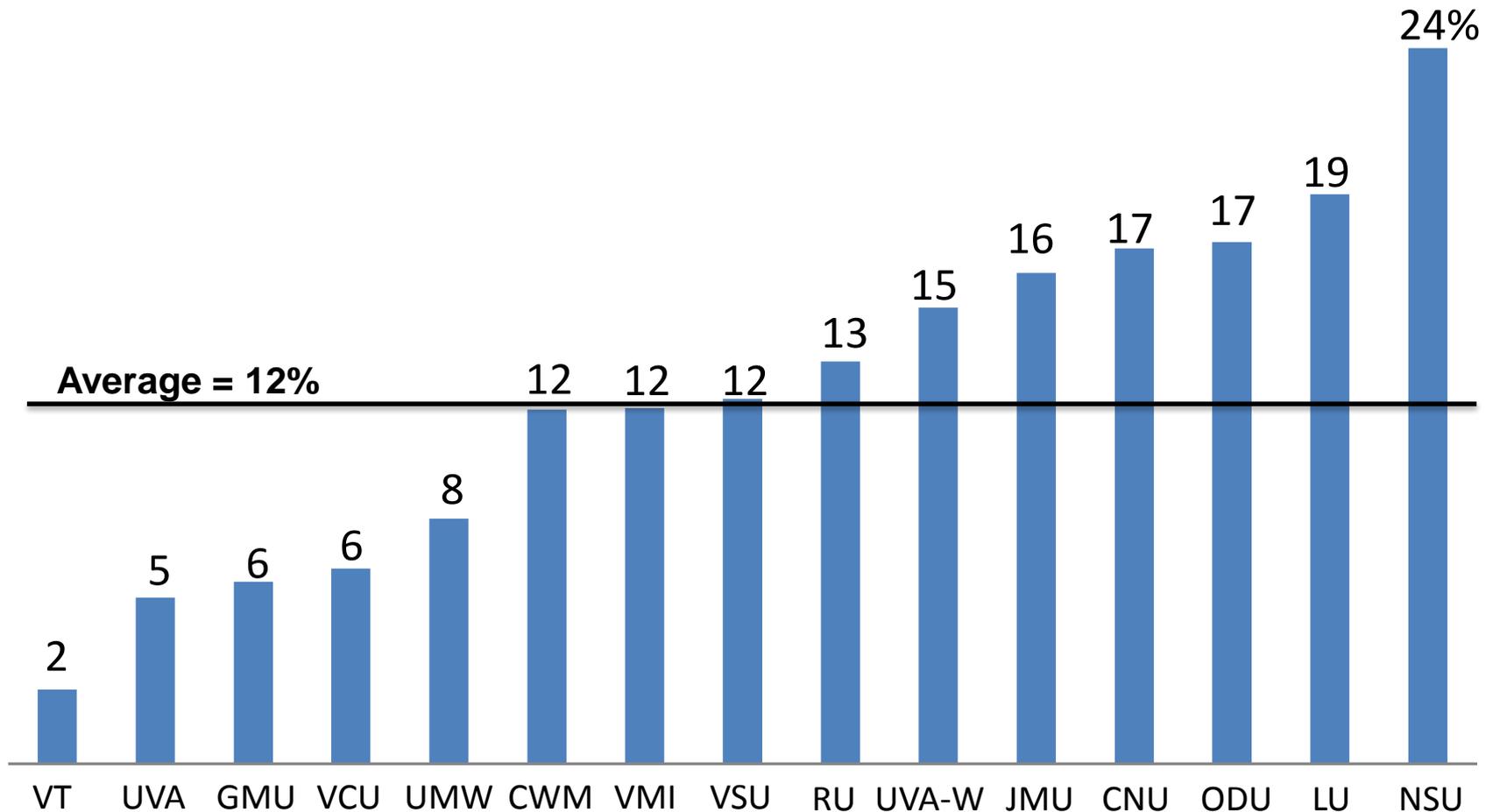
Virginia Athletic Spending Increased More Than Inflation and E&G Spending In Last 6 Years

- Total athletic spending grew by \$85.9 million in six years
 - No Virginia school decreased its athletic program spending
- Average athletic program grew by 43%
 - Inflation was 10%
 - Total institutional spending increased 23%
 - E&G spending increased 26%

Athletic Spending Growth Primarily Attributable to Four Factors

- Athletic scholarships (26% of growth)
- Coaching salaries (24%)
- Support staff salaries (15%)
- Facilities (12%)

Mandatory Athletic-Related Fees Comprise an Average of 12% of Total Tuition and Fees (2012-13)



Information on Athletics Fees Difficult to Find

- Athletic fee (or the athletic component of mandatory non-E&G fees) is difficult to find on **many schools'** websites or is not publicized at all
- Students may not be fully aware of how much they pay in athletic-related mandatory student fees

Recommendation

Boards of visitors should require their institutions to clearly list the amount of the athletic fee on their **website's tuition and fees information page**. The boards should consider requiring institutions to list the major components of all mandatory fees, including the portion attributable to athletics, on a separate page attached to student invoices.

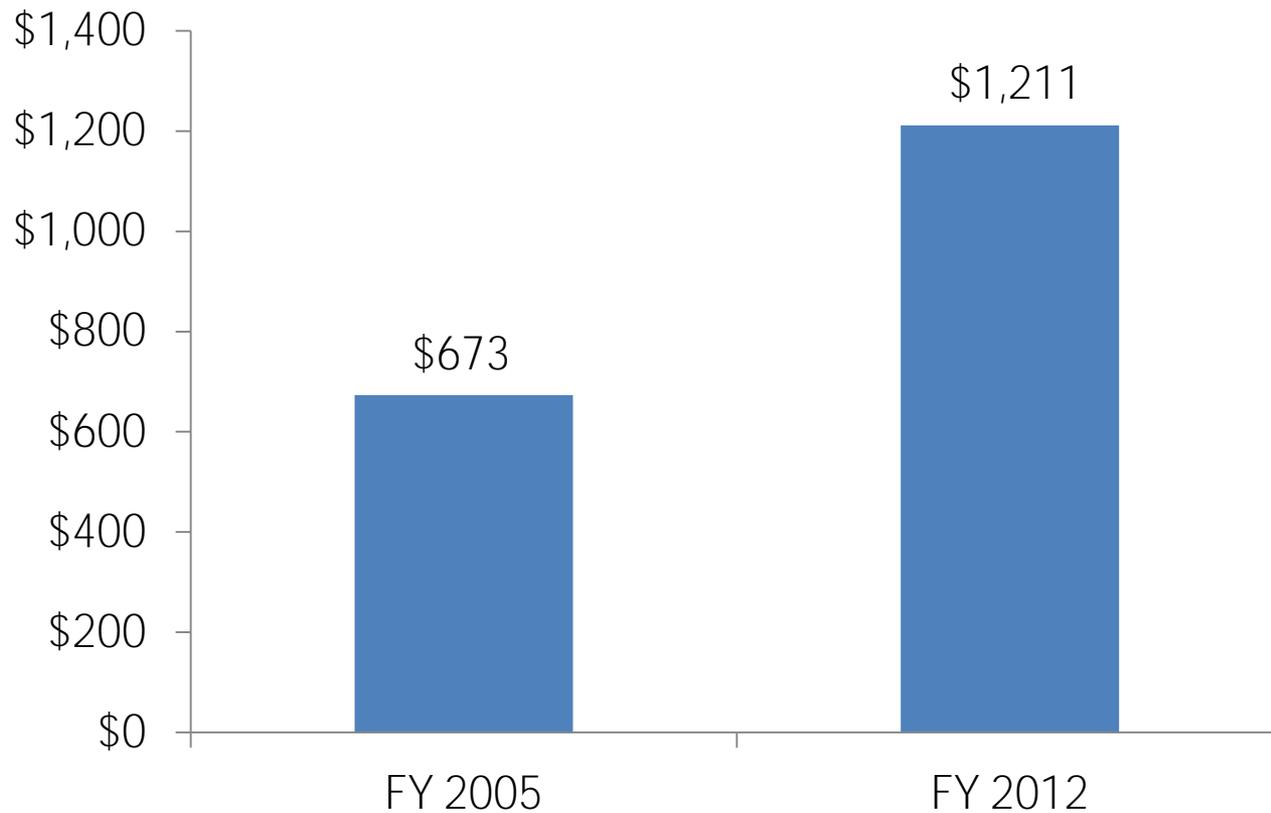
Some Institutions Include Debt Service for Athletics, Others Do Not

- **SCHEV's annual tuition and fee** report provides information about components of mandatory non-E&G fees charged to students
- Comparisons across schools are problematic
 - Some schools charge a separate debt service fee that includes all auxiliary debt service, other schools include athletics-related debt service in athletics fee

Recommendation

SCHEV should convene a working group of institution financial officers to create a standard way of calculating and publishing mandatory non-E&G fees, including for intercollegiate athletics. The group should report its findings to the House Appropriations and Senate Finance Committees by the 2015 General Assembly.

Institutional Debt Service Increased 80% Per FTE Student



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Remaining Reports in JLARC Higher Education Series

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Review of Administrative Efficiency	Administrative staffing, IT, procurement	2014
Strategies and Options	Ways to improve efficiency and effectiveness, reduce student costs	2014

Questions? Comments?

For **more information ...**

<http://jlarc.virginia.gov>

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