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

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<td>Housing, dining, intercollegiate athletics, campus recreation, debt service</td>
<td>September 9, 2013</td>
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<td>3. Review of Instruction and Research</td>
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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)

- Nationally, state appropriations have increased significantly less than total revenue.
- The Southeast region shows a similar trend, with state appropriations increasing less than total revenue.
- In Virginia, state appropriations have grown more than total revenue, but still less than the nationwide increase.

The chart illustrates the percentage increase in total revenue and state appropriations over the period.
Virginia Institutions Derive Less of Total Revenue from the State

Nationwide  Southeast  Virginia

% 100
80
60
40
20
0

1991 2011
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)

<table>
<thead>
<tr>
<th>% of Total Revenue From Tuition and Fees</th>
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<tr>
<td>1991</td>
<td>16%</td>
</tr>
<tr>
<td>2011</td>
<td>23</td>
</tr>
<tr>
<td>% Increase</td>
<td></td>
</tr>
<tr>
<td>1991 to 2011</td>
<td>44</td>
</tr>
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</table>
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

- **Virginia**: 4 years, 5 years, 6 years
- **Southeast**: 4 years, 5 years, 6 years
- **Nationwide**: 4 years, 5 years, 6 years

- 4 years
- 5 years
- 6 years

- Nationwide vs.东南部 vs. 维吉尼亚
Some Schools Graduate More Students Than Expected Based on Student and Institutional Factors

Expected (based on statistical model)  

Above expected %

<table>
<thead>
<tr>
<th>Institution</th>
<th>Expected (%)</th>
<th>Above Expected (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JMU</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>UVA</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>GMU</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>VT</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>VSU</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>CWM</td>
<td>6</td>
<td></td>
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</tbody>
</table>
Average Tuition and Fees Have Increased Slightly Less in Virginia Than Nationally (1991 – 2011)

Average tuition & fees (public 4-year)

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

Average Virginia tuition and fees

Average income left over after paying tuition and fees

1991

10%
90%

2011

17%
83%

Average Consumer Income
In This Presentation

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

<table>
<thead>
<tr>
<th></th>
<th>2003-04 Average</th>
<th>2012-13 Average</th>
<th>Total</th>
<th>Average Annual Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and E&amp;G Fees</td>
<td>$3,178</td>
<td>$6,501</td>
<td>105%</td>
<td>8%</td>
</tr>
<tr>
<td>Non-E&amp;G Fees</td>
<td>1,958</td>
<td>3,418</td>
<td>75</td>
<td>7</td>
</tr>
<tr>
<td>Housing Charges</td>
<td>3,217</td>
<td>5,090</td>
<td>58</td>
<td>5</td>
</tr>
<tr>
<td>Dining Charges</td>
<td>2,489</td>
<td>3,609</td>
<td>45</td>
<td>4</td>
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</table>
Price of Auxiliary Enterprise Services Can Be Substantial Portion of Total Price
Most Athletic Programs Generate Less Than Half of Total Revenue (2011-12)

Average = 31%

JLARC
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.
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

FY 2005: $673
FY 2012: $1,211
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Auxiliary Enterprises

Upcoming JLARC Higher Education Studies
# Remaining Reports in JLARC Higher Education Series

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Questions? Comments?

For more information …

http://jlarc.virginia.gov

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