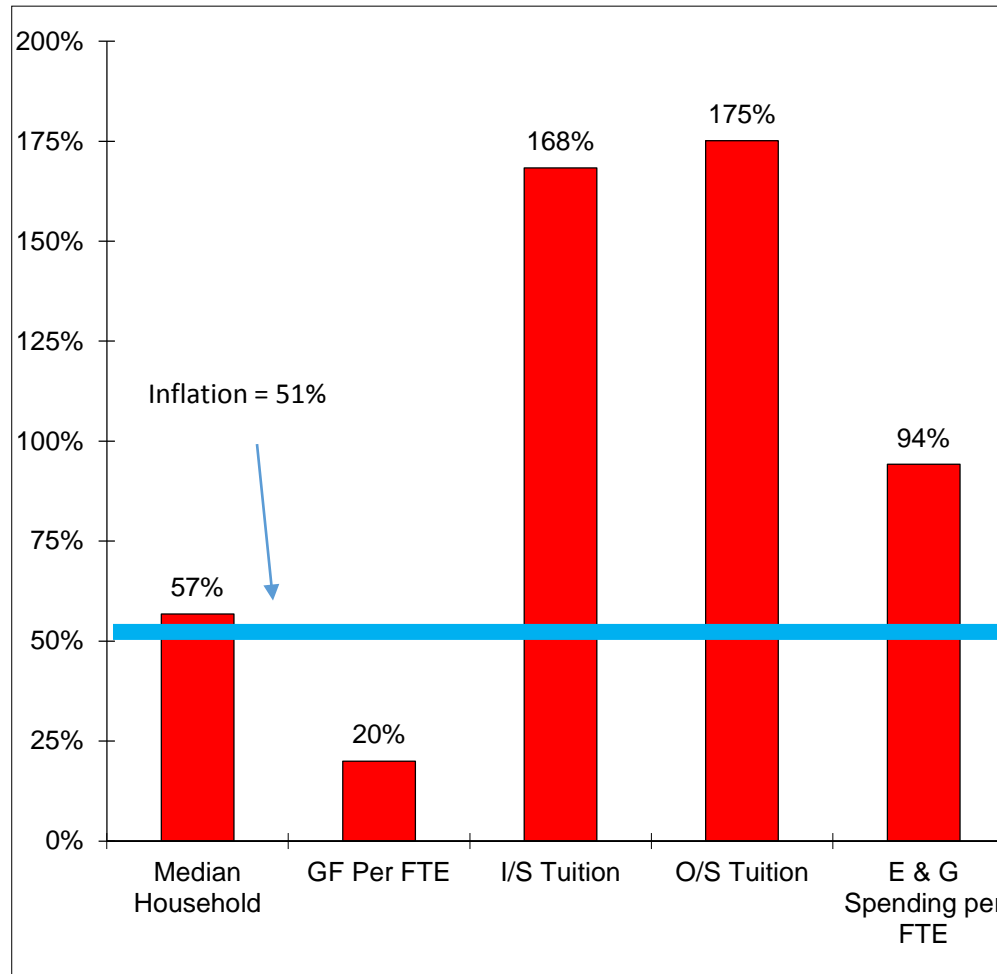


House Appropriations
Committee –
Higher Education Subcommittee

January 16, 2017

1996 to 2015 College Costs Institution-Specific Data

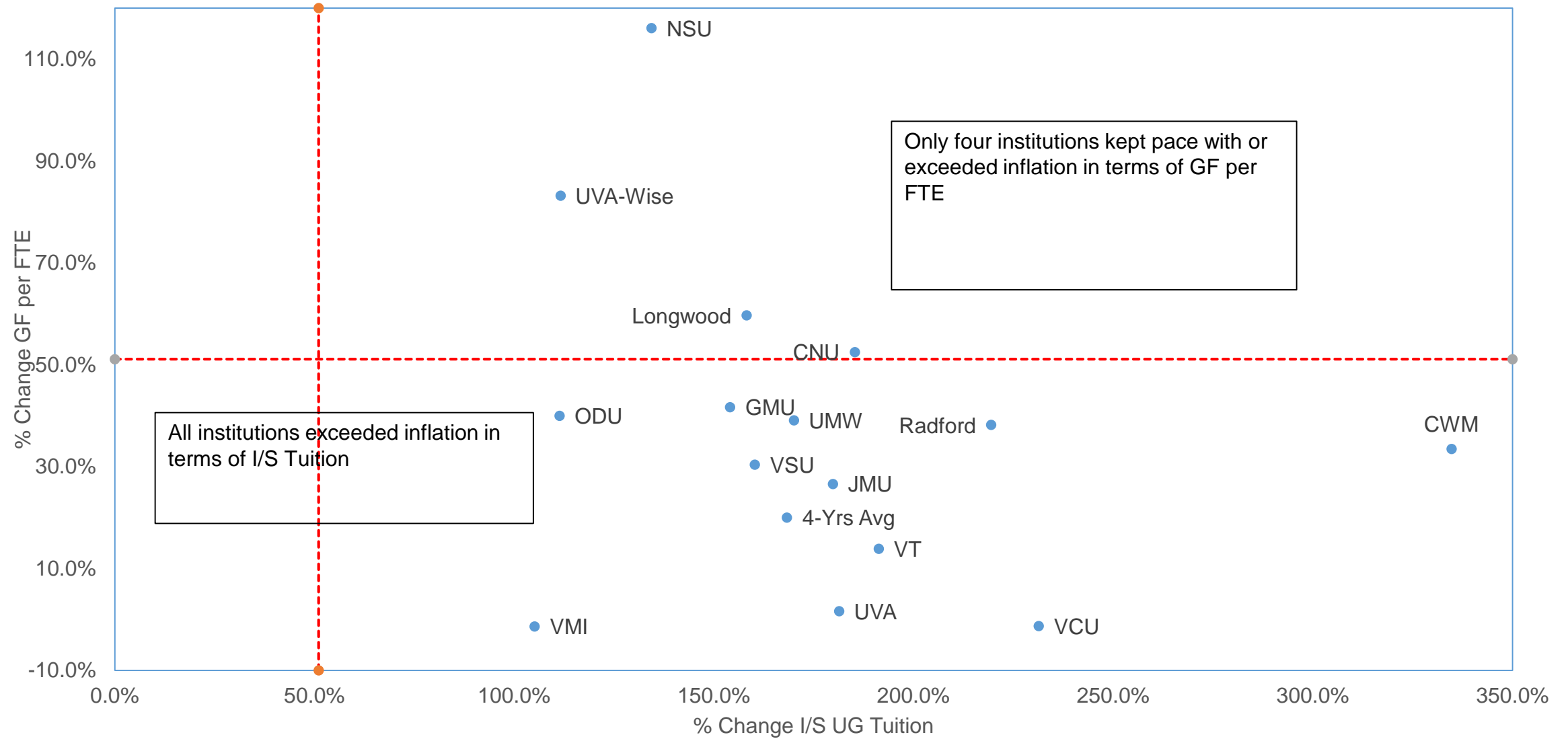
From 1996 to 2015, the current dollar cost of public 4-year institutions has increased significantly



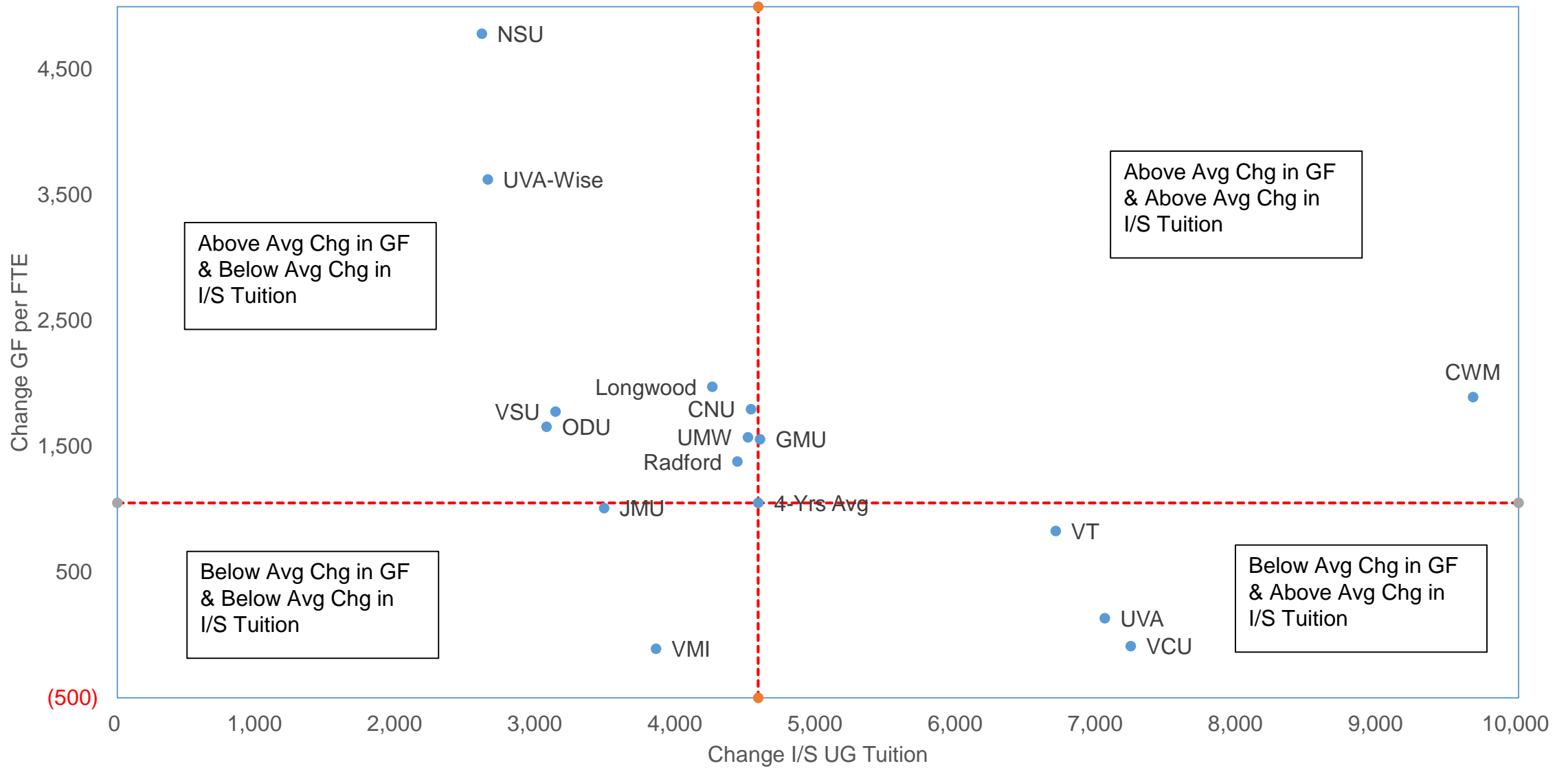
Source: Bureau of Labor Statistics, Commonwealth Accounting & Reporting System Data

- College costs have risen faster than inflation and outstripped family income in the last two decades
- Reasons for rapid increase:
 - Uneven state support in part
 - Growth in non-instructional costs
 - Spending at twice the rate of inflation
- The growth in E & G spending is fueled by undergrad tuition increases well in excess of inflation
 - The I/S Tuition increase in constant 2015 is about \$3,200 compared to GF per FTE decrease of about \$1,600
 - O/S increased about \$11,000 in constant 2015

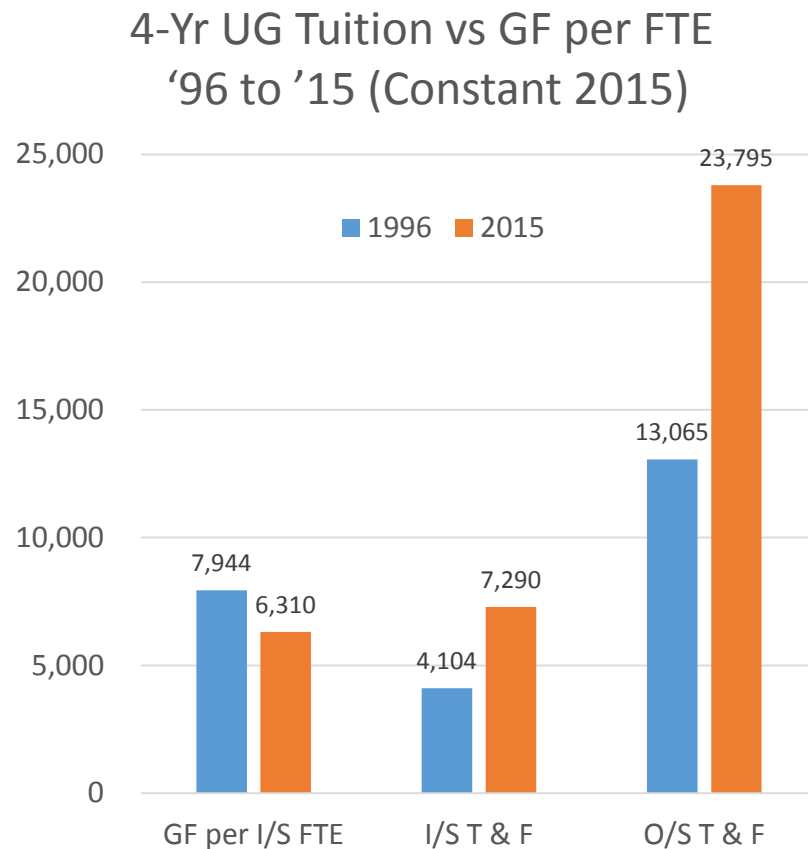
Percent Change in I/S Tuition and GF per FTE, 1996 to 2015



Nominal Dollar Change in I/S Tuition and GF per FTE, FY 1996 to FY 2015



4-Year Undergraduate Tuition Increased Beyond Cuts in GF Support



Source: Bureau of Labor Statistics & SCHEV TF03 Reports

- GF per Student went down by \$1,634 in constant dollar terms from '96 to '15
- I/S UG Tuition increased by \$3,186 over the same period
 - Essentially, I/S Tuition grew \$2 for every \$1 loss in GF
- In addition, O/S UG increased by \$10,730
 - The proportion of O/S UG students over this period did not increase remaining at about 20%

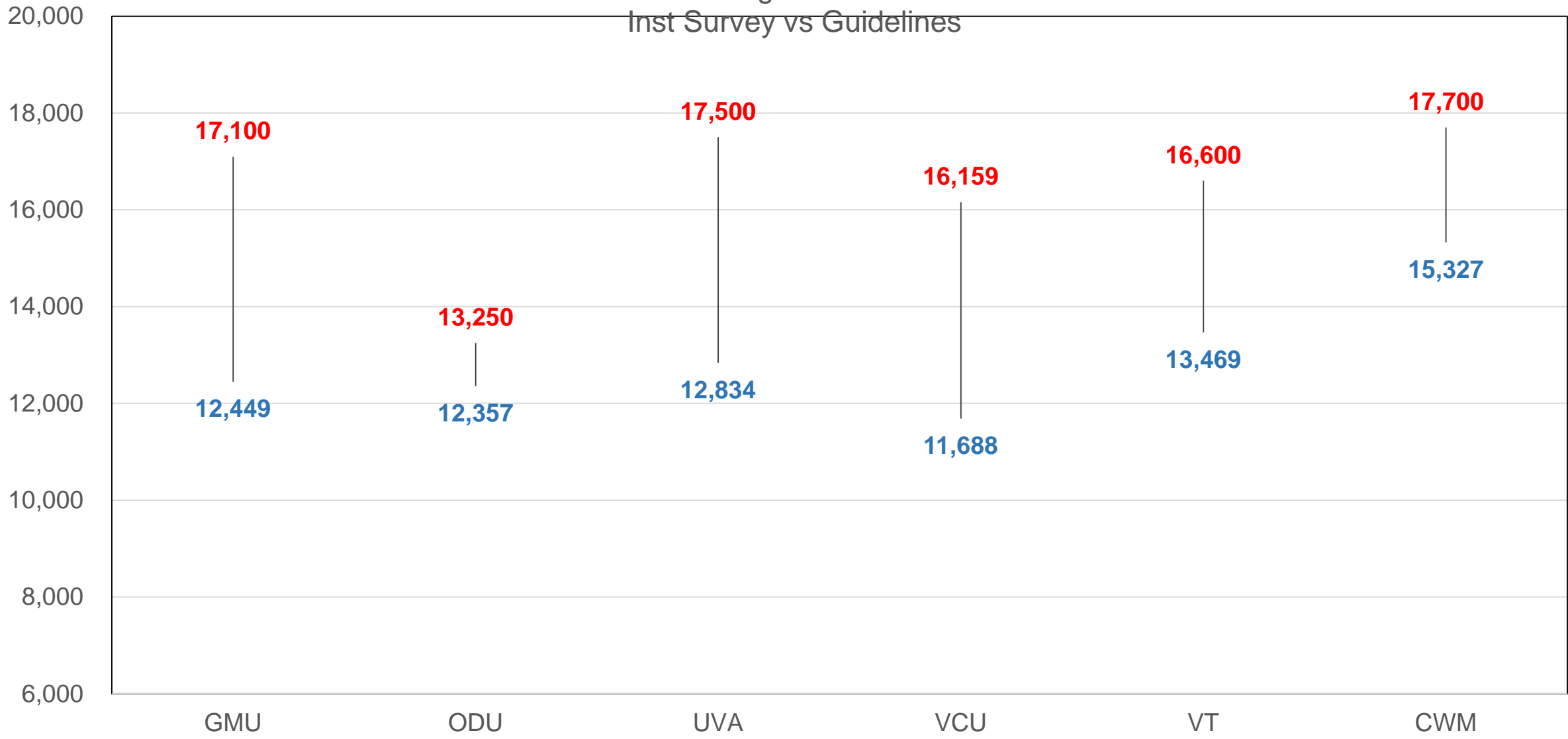
96-15 Change in I/S GF per FTE & UG Tuition, Constant 2015

Institution	I/S GF Per FTE	I/S T & F	I/S T & F Offset
GMU	(352)	3,066	8.7
ODU	(461)	1,659	3.6
UVA	(4,119)	5,063	1.2
VCU	(3,579)	5,635	1.6
VT	(2,225)	4,910	2.2
CWM	(998)	8,198	8.2
CNU	48	3,276	N/A
UVA-Wise	1,399	1,435	N/A
JMU	(930)	2,487	2.7
Longwood	285	2,875	N/A
UMW	(482)	3,149	6.5
NSU	2,679	1,613	N/A
Radford	(466)	3,395	7.3
VMI	(4,074)	1,977	0.5
VSU	(1,212)	2,131	1.8
System	(1,634)	3,186	2.0

Establishing Baselines

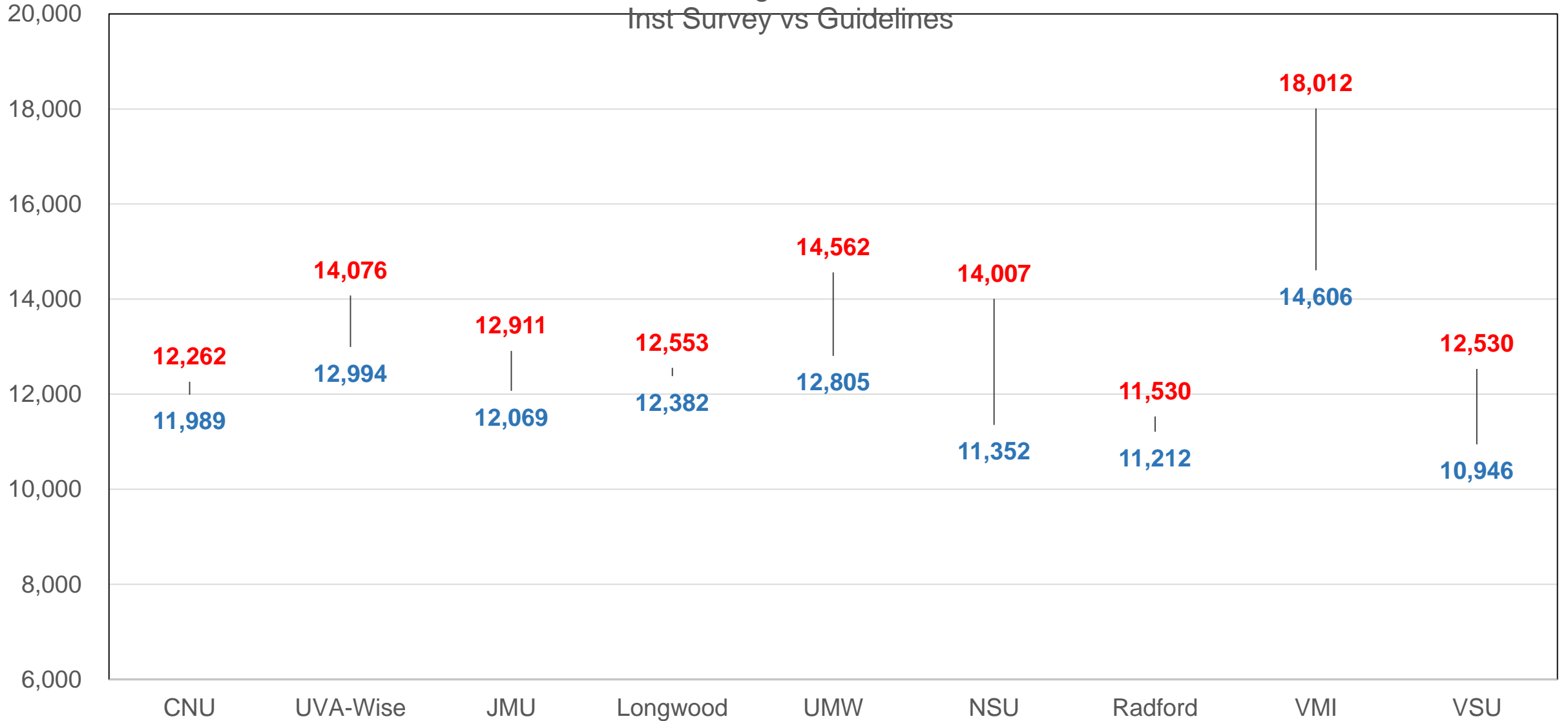
Cost of Undergraduate Education

Inst Survey vs Guidelines



Cost of Undergraduate Education

Inst Survey vs Guidelines



Impact of Proposed Budget Cuts

Institution	Introduced Budget Proposed Reduction	Percent of E & G GF	Percent of All GF (excl FA)	Percent of Total E & G	Potential NGF Offset
CNU	1,423,060	5.0%	5.0%	2.0%	3.3%
CWM	2,183,886	5.0%	5.0%	1.0%	1.3%
GMU	6,937,504	5.1%	5.0%	1.5%	2.1%
JMU	4,152,407	5.0%	5.0%	1.4%	1.9%
LU	1,380,536	5.0%	5.0%	2.1%	3.7%
NSU	0	0.0%	0.0%	0.0%	0.0%
ODU	6,243,124	5.2%	5.0%	2.3%	4.2%
RU	2,525,221	5.0%	5.0%	2.0%	3.4%
UMW	1,378,890	5.2%	4.9%	2.0%	3.2%
UVA	7,036,035	5.4%	5.0%	1.0%	1.3%
UVAW	776,390	5.0%	5.0%	3.2%	9.2%
VCU	9,603,574	5.4%	5.0%	1.7%	2.6%
VMI	709,189	7.1%	5.0%	1.7%	2.3%
VSU	0	0.0%	0.0%	0.0%	0.0%
VT	8,588,385	5.2%	5.0%	1.4%	1.9%
RBC	328,532	5.0%	5.0%	2.8%	6.6%
VCCS	19,716,711	5.1%	5.0%	2.2%	3.9%
Total Inst.	72,983,444	4.9%	4.7%	1.6%	2.4%

Observations on Governor's Proposed Higher Education Budget Reductions

- Across-the-board general fund reductions do not take into account revenue generating ability of institutions
 - I/S – O/S mix has significant impact on institution's ability to manage the reduction
- Proposed reductions disproportionately have a negative impact on institutions with high in-state student enrollment
- For example, the budgetary impact of the proposed reduction between a 1-1.5 percent budget impact for CWM, UVA, VT, JMU & GMU which in FY 16 had O/S enrollments greater than 20%
- Compare that to institutions such as UVA-Wise, ODU, Radford, CNU, Longwood & UMW where O/S enrollments are less than 10 percent all of which would experience an overall budget impact of more than 2 percent with UVA-Wise greater than 3 percent
 - Our two-year institutions would also be significantly impacted
- In addition, UVA and CWM could offset the reductions with about 1.3% of increased NGF revenue while UVA-Wise would require almost 10 percent NGF revenue growth to offset

HAC Higher Education Reductions Considerations & Questions

- Should reduction actions reflect NGF revenue ability?
- Should institutions be exempt from reductions?
 - Consider tiered reduction levels
- Should Extension and VIMS receive same reduction levels as institutions?
- Should the percentage impact on I/S undergraduate students be consistent across all institutions?
 - Should we minimize impact on I/S undergraduates relative to other student groups?
- Do you want to consider targeted reductions as a part of the overall process?
 - Re-visit 2016 Session funding decisions and new initiatives before imposing systemwide reductions
 - This would apply to affiliated entities (VIMS, Extension, SCHEV, etc) as well as institutions