

Patrick Gamble, President
Phone: (907) 450-8000
Fax: (907) 450-8012
Email: ua.president@alaska.edu




UNIVERSITY
of ALASKA
Many Traditions One Alaska

202 Butrovich Building
910 Yukon Drive
P.O. Box 755000
Fairbanks, AK 99775-5000

MEMORANDUM

DATE: April 15, 2011

TO: Board of Regents, Coalition of Student Leaders, and System Governance Council

FROM: Patrick Gamble, President 

RE: Scheduled Tuition Adjustment Notice AY2014

I have studied how we attempt to forecast tuition at UA and have found many aspects of the process that appeal to me – the transparency, the collaboration, and the opportunity for public input are qualities of the methodology that I believe serve to minimize the kind of divisiveness that troubles other public universities in their tuition setting efforts. However, despite the openness, it turns out that openness does not contribute much to an accurate tuition forecast in times of economic and market volatility like we are experiencing now.

So for example, in setting the tuition rate for AY2014 today (in AY2012), we have no idea what will drive the general funds that will be appropriated for either AY2013 *or* AY2014. Nor do we know what the inflation rate may be for AY2013 or AY2014. Decisions made over the next two years regarding Alaska's economy could materially impact the answers to these questions. I also see increased retention, increased enrollment and the need for serious cost containment as factors that will impact the tuition calculation in both directions.

When markets and economics are in flux most money managers will shorten the forecasting period for investments, so as to try and minimize the probability of error. As an example, short-term treasuries or CDs often are preferable to long-term investments in volatile markets. Likewise, I see a need to account for the same economic volatility by temporarily shortening our forecasting period for tuition calculation.

Pursuant to Regents' Policy 05.10.060(A) and (B), I recommend that decisions and any specific recommendations on both the inflation adjustment and the recommended change in tuition for

AY2014 be delayed until approximately fall 2012 so as to have the benefit of the most accurate and relevant budget data.

This proposal is not without consequence – helping students and their families plan will be limited to one year in advance instead of well over two. But the concern for securing the “right” numbers is a sword that cuts both ways. Announcing rates some two and a half years in advance greatly increases the chances that an expectation could be set that will be changed later, raising all the attention and concerns for broken promises that accompany such announcements. On the other hand, as many of you are aware, the UA Advisory Task Force on Tuition and Affordability continues to meet regularly and discuss financial issues that impact students, including tuition forecasts. Two issues in particular – consolidated tuition and differential graduate tuition – hold significant promise for UA, creating opportunity for how we generate and manage future tuition revenues. I have asked for both issues to be presented to the President’s Cabinet for consideration later this spring.

The tuition rate for AY2014 will be announced once we have confirmation on our appropriation, no later than September 2012.

Thank you.

PKG

cc: Chancellors

[SW Staff] UA President Gamble Proposes Lowest Tuition Increase in Decade

Thu, Jun 28, 2012 at 8:38 AM

For Immediate Release
June 28, 2012

UA President Gamble Proposes Lowest Tuition Increase in Decade

The smallest tuition increase in over a decade—2 percent—will be presented by President Gamble to the UA Board of Regents for approval in September for the Academic year 2014 (fall 2013, spring 2014). The increase will apply to students on all 16 University of Alaska campuses.

After discussing tuition in depth with UAA, UAF and UAS chancellors, staff and students over the last year, Gamble believes a modest increase is warranted – but it cannot happen without some consequences. Tuition currently makes up about 12 percent of the total university budget. Campuses will need to work creatively to offset the reduced tuition increase.

“There is no free lunch,” Gamble noted. “When we squeeze this balloon, it expands the dollar shortfall to be made up elsewhere in our system.”

Associate Vice President of Student & Enrollment Services Saichi Oba said, “A tuition increase isn’t something we celebrate, but the past decade has been a tough one, one of tuition rising yearly sometimes even in the double-digits.” At 2 percent, this is the lowest percentage increase since the late 1990’s.

The tuition increase will range from \$3 to \$8 per credit hour depending on the type of credit enrolled in (lower division, upper division, graduate). An undergraduate, full-time student enrolled in 15 credits, can expect a \$45-\$60 increase per semester starting in Fall 2013.

The proposed increase allows for the cost of inflation as determined by the Consumer Price Index (CPI). The proposal is framed by the ongoing national and state debate over the cost of higher education and reflects a sincere desire by the University of Alaska to keep college affordable and accessible for all Alaskans.



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Date August 14, 2012
From Saichi Oba, Associate Vice President, UA Student & Enrollment Services
To UA BOR, Coalition of Student Leaders, System Governance Council
Subject Inclusive proposal for all tuition rates, AY14

To provide the UA community with greater clarification President Gamble has asked me to share the proposed tuition increases for all rates of tuition for AY14: undergraduate resident; graduate resident; undergraduate non-resident and graduate non-resident.

In June, President Gamble proposed a 2% increase to the undergraduate resident tuition rate for AY14 – the lowest increase in over a decade at UA. Using this same moderated approach he is proposing a 2% increase for both the graduate resident and non-resident tuition rate; and a 4% increase to the undergraduate non-resident rate.

These proposed rates are the result of discussions with the Chancellors, system executives and after receiving direct input from students and the public. In making these proposals – which the BOR is scheduled to take action on at the September meeting - UA continues to strike a balance between helping generate the resources that provide students, faculty and staff with funding for programs and services while keeping the cost of attending UA affordable.

UA's tuition is competitive among regional peers and while most states have elected to pursue sharper increases in their non-resident rates of tuition, UA has not. This is especially true for our graduate programs. Here, following the counsel of the Chancellors, we are keeping our increases to a minimum in an effort to attract greater enrollments for graduate programs.

An out-of-state, undergraduate, full-time student taking 15 credit hours of upper division and lower division courses will pay an additional \$105-\$204 (4 percent) more to attend UA this fall while in-state students will see the more modest \$45-\$60 (2 percent) increase per semester. Approximately 11 percent of UA's students are from outside Alaska.

If you have any questions, concerns or comments please contact me at stoba@alaska.edu.

Cc: President Gamble; VPAA Thomas; Chancellors Pugh, Rogers, Case; CFO Roy; AVP Rizk; System Governance Office

	AY2013 (fall 2012 and spring 2013)	AY2014 (fall 2013 and spring 2014)
	Tuition Rate (7% for UG; 3% for Grad)	Proposed Tuition Rates (2 & 4% for UG); 2% for GR)
	7%/3% ⁱ	2%/4% ¹ /2%
Lower Division		
PWSCC	143	146
Kodiak	144	147
All Others	165	168
Upper Division	200	204
Graduate	383	391
Non Resident Surcharge	415 ⁱⁱ /400	432 ² /408

ⁱ 3% for GR's non-residents

ⁱⁱ Nonresident surcharge is 7% or \$415 for UGs; 3% or \$400 for GRs.

¹ 4% for UG non-residents

² Nonresident surcharge is 4% or \$432 for UG's; 3% or \$408 for GR's