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April 14, 2010

TO: Board Chair Cynthia Henry and Members of the Board of Regents
Coalition of Student Leaders
System Governance Council

FROM: Mark Hamilton, President



RE: Scheduled Tuition Adjustment Notice

This memorandum represents notice of the proposed tuition rates for AY2013 as required by Regents' Policy¹, as well as a revision of previously approved AY2012 rates.

This tuition notice for your consideration – my last as President – is a departure from recent years, and not one I take lightly. The economic outlook of our state and country, rigid budget discussions at the state level and ongoing increases in day-to-day costs in areas such as health care and employee wages cause me to propose this action. At the same time, the university must continue looking for cost efficiencies and budget savings where possible while still supporting an excellent university system for our students.

In September 2009, the board approved an AY2012 tuition increase of 5 percent for 100- to 200- level courses and a 10 percent increase for all other levels. Due to economic circumstances, I recommend a **revision** to the AY2012 lower division rate by increasing it to 10 percent, so that both lower and upper division tuition would increase at the same rate.

In addition, there are two proposals the chancellors and I have discussed for AY2013; both call for increases across all levels except graduate tuition. The first proposal is a 10 percent tuition increase; the second is a 12 percent increase. Both are forwarded for consideration. The table on the next page reflects the current and proposed rates.

This proposal is offered only after much discussion with the chancellors and staff. I understand the importance of a differential increase between upper and lower tuition, and have protected students from double digit increases whenever possible. Yet, I do believe this range of increase is reasonable considering forecasted economic conditions.

The University of Alaska enjoys a rate of tuition below that of our peers in the western U.S. as well as nationally. Between the years 2005-06 and 2009-10, UA increased tuition by 29.8 percent. In the WICHE region (the 15 western states) the average increase over this same time was 48.2 percent. In Alaska, our rate of increase has been 18.4 percent *less* than that of our western peers. Looking back to when I began as President, the Board of Regents raised tuition 36.6 percent *less* than other western states. Nine of the 15 western states have higher tuition at their public universities than Alaska.

Please remember this notice marks the beginning of tuition discussions, not the end. This discussion will lead up to the Board of Regents' September 2010 meeting, when official action is expected.

¹ The policy provides that the adjusted tuition rates will be deemed approved after the board's first regular meeting following the subsequent November 1, "unless the board suspends implementation of the scheduled rate adjustment, or the university president notifies the board of an alternative recommendation, prior to that board meeting."

Please take the time to speak with your campus leadership, my staff or me directly with any concerns or questions.

Thank you.

	AY2012 (fall 2011 and spring 2012)	AY2012 (fall 2011 and spring 2012)	AY2013 (fall 2012 and spring 2013)	AY2013 (fall 2012 and spring 2013)
	Tuition Rate (+5% for 100- 200; +10% for all other)	Revised Tuition Rate (+10% for 100-200)	Proposed Tuition Rate (+10)	Proposed Tuition Rate (+12)
Lower Division				
PWSCC	133	140	154	157
Kodiak	135	142	156	159
All Others	154	162	178	181
Upper Division	187	187	206	209
Graduate	372	372	372	372
Non Resident Surcharge	388	388	427	435