

**UNIVERSITY OF KANSAS
REVISED FY 2009 TUITION PROPOSAL
SUBMITTED TO THE BOARD OF REGENTS JUNE 9, 2008**

A. FY 2009 PROPOSED TUITION RATES

The University has heard from several Regents that there are concerns about the increase in the Compact Tuition rate that we have proposed for FY 2009. In light of those concerns, KU wishes to propose an amendment to our tuition proposal.

The proposal that was presented in May recommends a Compact Tuition Rate of \$231.45 for Resident Undergraduates and \$607.95 for Nonresident Undergraduates. Since the Compact Tuition Rate is fixed for four years, these rates were based on increases of 6% for the first year, 8% for the second, 7.5% for the third, and 7% for the fourth.

The University wishes to amend the Compact Tuition Rate to \$229.25 for Resident Undergraduates and \$602.05 for Nonresident Undergraduates. These rates are based on increases of 6% for the first year, 7% for the second, 7% for the third, and 7% for the fourth. Again, the rate is fixed for four years.

The University remains concerned about the fiscal outlook for the state in FY 2009, especially in light of known cost increases, but wishes to be responsive to the concerns expressed about our proposal.

SECTION A:

Compact Tuition rates (For first-time, degree-seeking freshmen entering KU in Fall 2008) <i>The FY 2009 Compact Tuition rates would be in effect for 4 years, FY 2009 through FY 2012</i>					
	Existing FY 2008-11 Compact Tuition Rate	Proposed FY 2009 Compact Tuition Rate	Proposed FY 2010 Compact Tuition Rate	Proposed FY 2011 Compact Tuition Rate	Proposed FY 2012 Compact Tuition Rate
Undergraduate Resident - New Freshman	\$213.00	\$229.25	\$229.25	\$229.25	\$229.25
Percent Increase	-----	7.6%	0.0%	0.0%	0.0%
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Undergraduate Nonresident - New Freshman	560.00	602.05	602.05	602.05	602.05
Percent Increase	-----	7.5%	0.0%	0.0%	0.0%

The above table reflects the proposed FY 2009 tuition rates per credit hour for:

- Compact Tuition rates: These are the per-credit-hour rates that first-time, degree-seeking freshmen, resident and nonresident, entering KU in Fall 2008 will pay from FY 2009 through FY 2012. The Compact Tuition rate per credit hour is calculated as follows: the FY 2008 Standard Tuition rate per credit hour compounded for four years: at a 6.0 percent rate for the first year, at an 7.0% rate for the second year, at a 7.0% rate for the third year, and at a 7.0% rate for the fourth year. The generated rates for each of the four years are summed, then divided by 4 to derive the Compact Tuition rates. The rates of 7.0%, 7.0%, and 7.0% for the subsequent years are based upon expected uncertainty in state revenues due to current economic conditions. Since the compact rate will be locked in for four years, it is incumbent to develop a compact rate that considers expected economic factors. These rates are less than our 30-year average tuition increase of 9.3%.

E. PROJECTED NEW INCREASE IN TUITION AND FEE REVENUES AND PLANNED USES OF INCREASED REVENUES

The proposed FY 2009 KU tuition increases will generate approximately \$10.4 million in additional ongoing funding for the Lawrence campus. Funds will largely be used to annualize the one-time funding for salaries from FY 2008 and a 3.0% salary increase for all employees, and a campus minimum wage of \$7.50 per hour to adequately compensate student employees, keep ahead of the federal minimum wage and provide greater financial support for our students. In addition, significant increases in utilities projected for next year will require further substantial allocations to cover energy costs. Finally, some targeted investments in academic and research programs and information technology must be made.

Lawrence campus:

- Annualization of FY 2008 pay increases and fringe benefits - \$1.6 million
- Salary increases – 3.0% or \$4.6 million (including raising the campus minimum wage for students to \$7.50 per hour)
- Programmatic enhancements – \$2.2 million (including support for admissions, science education and teaching excellence, academic program enhancements, and student information systems)
- Utility rate increases - \$2 million

The proposed FY 2009 KU tuition increases will generate approximately \$1.4 million in additional ongoing funding for the Medical Center. This increase will be allocated to have a direct positive impact on the students' educational experience as shown below:

KUMC

- Library support - \$158,000
- Student Service improvements - \$101,000
- GTA support - \$165,000
- School Of Nursing Programs - \$324,000
- School of Allied Health Programs - \$302,000
- School of Medicine Programs - \$350,000

Appendix A

FY 2009 Tuition and Fee Proposal
University of Kansas

Proposed FY 2009 Tuition and Required Fees (All Students)
Full Time, per Semester

<u>Lawrence Campus</u>	<u>Approved FY 2008</u>	<u>Proposed FY 2009</u>	<u>Dollar Increase</u>	<u>Percent Increase</u>
Compact Tuition:				
Resident Undergraduate (15 SCH)				
Tuition	\$3,195.00	\$3,438.75	\$243.75	7.6%
Fees	<u>377.75</u>	<u>423.35</u>	<u>45.60</u>	12.1%
Total	\$3,572.75	\$3,862.10	\$289.35	8.1%
Nonresident Undergraduate (15 SCH)				
Tuition	\$8,400.00	\$9,030.75	\$630.75	7.5%
Fees	<u>377.75</u>	<u>423.35</u>	<u>45.60</u>	12.1%
Total	\$8,777.75	\$9,454.10	\$676.35	7.7%