There is a lot of talk going on now relative to the proposed tuition increases being advanced to the Arizona Board of Regents. I want to spend a few minutes describing our logic.

First, let me say that you can find the detail of our tuition proposal on the asu.edu website and look for the tuition page. Let me walk you through our overall tuition logic.

First and foremost, I want you all to know that we have designed Arizona State University to work as an institution that has high levels of academic excellence and high levels of financial access. That is not always the case in terms of the way universities are designed, but that is the way that we are designed. Our present situation is that we are coming off of, and still in the middle of, dramatic reductions in state investment. I want to spend a little bit of time talking about these dramatic reductions in state investment.

The State of Arizona, through its leadership, has made the determination that they want to reduce the amount that they are investing on a per student basis dramatically. We have been set back – not one or two fiscal years in terms of funding – but as many as thirty fiscal years if you keep constant dollars in mind. I have some charts I am going to use for my discussion with you today, which I’ll walk through quickly, and then these charts will also be available to you on the web for you.

Looking at this chart, you see in yellow the amount invested by the state on a per student basis and where we have been reduced dramatically between FY07 and FY10. The red line is the temporary amount of funding that we have from the federal government via the decision of the Governor to be very supportive of higher education. That’s called stimulus funding and the gap between the reduction in the state and the amount that we are temporarily supported by the federal government is what we need to make up both in terms of tuition and our surcharge. These numbers at the bottom of the chart are important because this is where some people want to take our funding on a per student basis.

Looking at the next slide, you see how our funding looks in comparison to others. The blue line is the amount of per student funding coming from the states of our peer institutions. This shows our present situation, the gap and where people want to take our funding. You can see that we have had dramatic changes over the last 20 years, from about $8,500 per student in state support over the last two decades to below $7,000 per year in student support; tremendous reductions with additional reductions being proposed.

Our tuition proposal is to take existing students and increase their tuition by a predictable amount, roughly 5% for in-state students, and then make up the federal stimulus funding that we’ll be losing over a two-year period with two additional increases – one this year and one next year.

Going back to the first slide, you see that we have already integrated cuts into our budget (administrative changes, personnel changes, programmatic cost reduction efforts), and all we are looking for with this tuition adjustment is to make up the gap between state investment and stimulus funding.
Now, when you hear people say that this is a function of financial crisis in Arizona or a function of the Legislature not having any resources that is only partly accurate. The last chart reveals something that is essential to understand related to the present situation. Over the last 30 years, the amount of funding that comes from a taxpayer per $1,000 of income specifically for higher education in Arizona has gone from roughly $18 per $1,000 of family income to slightly more than $8 – more than a 50% reduction in the amount of taxes that are actually contributed for higher education.

This is a public policy decision that our administration and lobbyists fight and resist every day, and one that I hope our students and others will comment on and become a part of the process, which says that higher education is only worth about 50% of the tax level it was worth 30 years ago. This is a change in tax policy. It’s a change in the allocation of resources for higher education that places us in a situation where we have to fight hard for the funding from the state – which we are doing – and at the same time, maintain the quality of the university we have while maintaining resources at a minimum level.

We are at that minimum level. Our tuition proposal reflects that and is intended to replace only the federal stimulus funding.

Details on the tuition proposal are on the ASU website. Comments and questions are welcome and we have a public hearing coming up in a few days. I wanted you to have the benefit of this material and to know that the tuition website is available to you.

I know this is hard. All tuition adjustments are hard, but let me say again that ASU is committed to financial access to the institution. We are committed to putting together financial aid programs and structures for each of you customized to your family. Please be in contact with financial aid advisors, student success advisors, academic advisors and others as you put together your pathway to move forward.

ASU offers fantastic educational opportunities that are worth the investment and worth maintaining in quality. If we didn’t believe that, we wouldn’t be asking for additional investments from families. It’s about maintaining quality and getting through this very difficult moment.

Take a look at the website. If you have comments or questions, please let me know.