



July 13, 2010

Dear Campus Community,

So much is happening very quickly and has yet to be finalized, but I wanted to give you all a heads up.

I'm sure you are aware that the state of North Carolina has been experiencing a significant economic downturn, and that it has affected the state budget. We have endured layoffs, furloughs, pay freezes, funding reductions and reversions. Through it all, we have remained focused on the reason why we are all here: to serve and educate our students. We have successfully kept the school's educational mission and core intact, and have offered a superlative educational experience at a reasonable cost to students and their families.

However, like other schools across the country, we are going to be asking students to pay an increasing part of their education.

Earlier this year the UNCSCA Board of Trustees and UNC Board of Governors approved a Campus Initiated Tuition Increase, or CITI. The amount of the approved increase was \$200 for our in-state undergraduate and graduate students; \$310 for our out-of-state high school students; \$612 for our out-of-state undergraduates and \$634 for our out-of-state graduate students. Fifty percent of these increases are mandated to be held back for need-based financial aid – to offset the impact of the tuition increase on our neediest students. Our in-state high school students continue to attend UNCSCA without charge per legislative action.

When the N.C. General Assembly approved the state budget on June 30, it also approved a provision to allow UNC campuses to increase tuition by up to an additional \$750 – on top of the already approved CITI – for 2010-11. On July 1, the UNCSCA Board of Trustees authorized that increase, up to \$750 in tuition for all students, except in-state high school students. At that meeting, Chief Operating Officer (COO) George Burnette explained that even with the full \$750 tuition increase, UNCSCA was one of three institutions unable to cover its portion of the \$70 million cut to the UNC system budget.

The good news is that President Bowles and UNC General Administration heard our appeals, and have reduced our budget reduction by about 33 percent – from nearly \$1.1 million to \$725,000.

Today, I met via teleconference with President Bowles and the other UNC Chancellors to

discuss tuition increases. President Bowles then met with the UNC Board of Governors. Though there was quite a bit of discussion, the general consensus was that while we all want to keep the cost to our students as low as possible, low tuition is not a bargain if it comes at the expense of quality. We must protect the integrity of our institutions and not sacrifice the quality of education we offer.

Though some schools have not asked for the entire \$750 increase, UNCOSA has requested the entire amount. Here's why: Of the revenue generated by the \$750 increase – approximately \$720,000 – 20 percent is mandated to be held back for need-based financial aid, which leaves us with approximately \$580,000 to offset the budget reduction of \$725,000. This still leaves us with a \$145,000 budget cut; but that is significantly better than the \$1.1 million cut originally allocated to UNCOSA.

Obviously any tuition increase is going to have an impact on our students, and perhaps our ability to recruit and retain the most talented young people. However, the UNC system is still an extraordinary value. UNCOSA remains in the lowest quartile of cost for in- and out-of-state students among our higher-education peers.

Today, it comes down to a choice between raising tuition or threatening the very ability of our school to effectively function. We believe this action, in conjunction with the continued support from the state through its appropriations and special considerations, and the school's increasingly successful fund-raising activities, will result in preserving the high standards we expect of our school and the retention of faculty and staff positions.

Thank you for what you do every day for UNCOSA.

Sincerely,

A handwritten signature in black ink, appearing to read "John", with a stylized flourish at the end.

John Mauceri  
Chancellor