



March 30, 2011

Office of the President
(816) 271-4237

Dr. David Russell, Commissioner
Missouri Department of Higher Education
P.O. Box 1469
Jefferson City, MO 65102-1469

Dear Dr. Russell:

We have received your letter dated March 24, 2011 indicating that the 6.33% increase in tuition approved by the Board of Governors at Missouri Western State University on March 23 triggers the penalty provision of the Higher Education Student Funding Act (HESFA). Please consider this letter and accompanying materials as our request for a waiver of that penalty.

Western shares the higher education goals expressed by Governor Nixon and performs well relative to those goals. The Governor has emphasized the need to increase the number of Missourians who attain undergraduate degrees. Missouri Department of Higher Education (MDHE) reports show that Western has been the fastest growing public university in Missouri over the past three years and has experienced record enrollments for six consecutive years. The Governor also has emphasized the need to hold higher education costs as low as possible. Western voluntarily froze its tuition for (12 credit hours) FY2005 and FY2006. Then, per the agreements with the Governor, tuition paid was again frozen for FY2010 and FY2011. Thus, Western did not increase tuition paid four times in the last seven years and tuition paid has grown by an average of only 1.9 percent over that seven-year period.

In approving the new tuition, the Board of Governors considered the collective impact of a list of financial facts at Western. These include the following:

- State appropriations experienced zero growth for FY2010 and a cut of 5.2 percent for FY2011, and a 7 percent cut is anticipated for FY 2012 for a total decrease of \$2.7 million to Western over the three-year period. The University has also experienced annual mandatory increases in expenses amounting to more than \$1 million each year. The net result is a negative impact of about \$6 million on Western since FY2010.
- At the behest of MDHE, six associate degree programs have been eliminated. However, the expenses associated with these programs continue, as the coursework for most of these degrees are included in four-year degree programs. Tuition loss is estimated at \$400,000 per year.
- Upcoming changes in policies affecting the Hillyard Technical School/Missouri Western State University memorandum of agreement related to the A+ program will further reduce opportunities for students and revenue (\$800,000 annually) for the University.
- Western's student population includes relatively few out-of-state or graduate students. There is little ability to meet new revenue needs through adjustment of the tuition charged to these students.
- Since the state's appropriation amounts to approximately 45 percent of Western's general operating budget, the proposed FY 2012 7 percent cut will severely affect Western.

Dr. David Russell, Commissioner

March 30, 2011

Page 2

- In 2005, Western elected to use reserve funds to increase scholarships and increase accessibility. The impact of the economic conditions of the past two to three years has not allowed the University to phase out this use of reserve funds.
- At the current rate of reserve fund use, the University's reserve fund will fall below the minimum required by the Board of Governors within two years.
- Western has the lowest per-student appropriation of all the state universities in Missouri.
- Western has the third lowest tuition rate of all Missouri public universities.

Western has already taken steps to control and reduce costs. For example:

- A number of administrative positions have been eliminated.
- Operating budgets have been permanently reduced by 20 percent.
- Many vacant positions university-wide are not being filled.
- Salaries and wages have been frozen for two years.
- Faculty summer school salaries have been significantly reduced.
- Class sizes have been increased, in most cases to room capacity.
- The Golden Griffon and other scholarships have been significantly reduced.
- The use of adjunct/part-time faculty has increased by approximately 25 percent in the last two years.
- Custodial services have been significantly reduced.

Without question, additional budget cuts would have a significant negative impact on Western's educational experience. These cuts would have to include reductions in personnel and programs. It is worth noting that despite growing by approximately 1,000 students and adding seven new buildings, Western's number of full-time employees has remained virtually the same since 1999.

The Board of Governors has considered various options for meeting the mounting challenges, including the drastic option of capping enrollment. This option was not pursued because it would be contrary to the Governor's goal of increasing the number of students attaining undergraduate degrees, the University's role as an open-access institution, the regional need to increase workforce capacity, and the Board's general view of the best long-term strategies.

In view of the exceptional growth, growing reputation for quality, conservative staffing, cost saving actions already taken, and limited opportunities to further reduce costs or increase revenue, Western believes that the 6.33% tuition increase for 2011-2012 is justified.

Sincerely,



Robert A. Vartabedian
President

cc: Joseph Cornelison, General Counsel for MDHE
Mel Klinkner, Vice President for Financial Planning and Administration
Kylee Strough, Chair of MWSU Board of Governors
Paul Wagner, Deputy Commissioner for MDHE