



James E. Lyons, Sr.
Interim President

January 13, 2014

Mr. Reginald Felton
Treasurer
Chairman, Budget and Finance Committee
Board of Trustees of the University of the District of Columbia
Washington, D.C.

Dear Chairman Felton:

I am writing to provide you with background material on two agenda items scheduled to be discussed at the Board of Trustees' Budget and Finance Committee meeting on Wednesday, January 15, 2014 at 6:00PM. The information below will provide you with further information on agenda item VI. "Discussion – Tuition and Fees" and agenda item VII. "Discussion – Use of the Fund Balance."

I. Agenda Item VI. "Discussion – Tuition and Fees"

I have requested the addition of this item to the Committee's January 15th agenda to begin public conversation on tuition and fee adjustments that I plan to propose for approval in advance of the next regularly scheduled Board of Trustees meeting to be held in March 2014.

a. Tuition Adjustment

As you know, the Board of Trustees stated its policy to increase tuition rates by an amount equal to the annual growth in the Consumer Price Index plus one percent.¹ In addition, the Vision 2020 Plan, as presented to the full Board on November 19, 2013, incorporated this policy into its financial model and projected the policy to be kept in place throughout fiscal years 2015 – 2020. I plan to adhere to this policy and present a tuition increase for consideration and approval by the Board at the March 2014 meeting. Prior to consideration by the full Board, I will present the proposal to the Budget and Finance Committee and the Student Affairs Committee. In addition, I will make all efforts to ensure the student body is aware of the proposal prior to any

¹ Updating Tuition Rates for AY2012-13, UDC Resolution No. 2012-27 (June 13, 2012).

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consideration by this or any other Committee. I accept that any amount of tuition increase will prove challenging to a number of our students and will continue to seek all forms of financial aid to ensure no student who seeks a postsecondary credential is barred from doing so for financial reasons.

For your reference, I have attached a copy of the District of Columbia Municipal Regulation that sets out the University's current tuition schedule.

b. Mandatory Fee Adjustment

The University presently charges a mandatory fee to all degree-seeking students to help defray the cost of a variety of services, programming, and dedicated facilities including health care, intercollegiate athletics, and student clubs and organizations. In line with the existing mandatory fee policy for all degree-seeking students, I plan to propose an increase in certain fees presently assessed and the establishment of up to one additional fee. I expect that an increased fee for the University's new student center, an increased intercollegiate athletics fee, and a new fee to support expanded career and professional development programming will be among those included in my proposal. As with the tuition adjustment discussed above, I plan to present these various fee adjustments to the full Board for consideration and approval at the March 2014 meeting after previous presentations to the Budget and Finance Committee and the Student Affairs Committee. All efforts will be made to communicate the proposed changes to students and solicit their feedback.

For your reference, I have attached a copy of the District of Columbia Municipal Regulation that sets out the current mandatory fee schedule.

II. Agenda Item VII. "Discussion – Use of the Fund Balance"

The University is authorized under the District of Columbia Public Postsecondary Reorganization Act to deposit all tuition and fee revenues and receipts with the District of Columbia Treasurer, to be accounted in the Municipal University Fund as an independent revenue source, and authorized for expenditure by the Board of Trustees.² The monies held pursuant to this authorization are often referred to as the University's "fund balance." I understand that the Office of the Chief Financial Officer will be able to provide the Budget and Finance Committee with further details on the exact amount of unrestricted and restricted funds currently held in the fund balance.


² 93 Pub. L. 471; 88 Stat. 1423 *et seq.* (as amended); D.C. Code § 38-1202.06 (2013) ("It shall be the duty of the Trustees to: * * * [d]eposit all revenues and receipts of any nature whatsoever derived from tuition and fees received from students with the District of Columbia Treasurer under regulations established by the Mayor, which revenues shall be accounted for in the Municipal University Fund as a separate revenue source allocated to provide authority for such University purposes as the Board of Trustees may approve;")

I plan to request the Board to grant the University authority to expend a specified amount of this fund balance at the March 2014 regular meeting. The total sum requested will be based on an estimated cost of proposed one-time expenditures critical to the success of the University's strategic plan, long-term stability, and financial health.

III. Closing

I look forward to working closely with you in the coming months on these and other important matters which I will present to the Budget and Finance Committee for your thoughtful consideration and approval. I trust that should you have any questions or need further information you will not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read 'James E. Lyons', written over a horizontal line.

James E. Lyons