



2008-09 Student Fees

On May 15, the UC Board of Regents approved a 7.4 percent increase in universitywide student fees for the 2008-09 academic year.

More than one-third of UC undergraduates – generally those whose family incomes are below \$60,000 per year and are considered needy under federal standards – would not have to pay the increase, as it would be fully covered by a federal grant, Cal Grant or UC grant.

The increases are consistent with those reflected in the governor's 2008-09 state budget, which also included deep funding cuts for UC due to the state's dire fiscal circumstances. Although the governor's May budget revision restored \$98.5 million in funding for UC, it still falls \$233.5 million short of covering the university's operational needs for 2008-09.

The university has actively advocated against cuts of this magnitude, arguing that disinvestment in public higher education will compromise both educational opportunity for students and the engine of economic growth and innovation that public universities provide for the state. However, given the size of the state's projected budget deficit, the fee increases were necessary as one element of a series of actions to support the university's continuing operations in a time of such great fiscal stress.

The fee increases, composed of a 7 percent increase in the educational fee and a 10 percent increase in registration fee, were also needed to support critical programs. A portion of the proposed 10 percent increase in the registration fee, for instance, will help meet one of the highest priorities endorsed by both the Regents and UC student organizations -- increasing funding for student mental health services by \$8 million in 2008-09.

The fee increases are accompanied by an increase in UC grant assistance for needy low- and middle-income students along with a commensurate increase in Cal Grant awards for UC Cal Grant recipients. As it has done in the past, the university will set aside 33 percent of any revenue generated by the fee increase to mitigate the impact of the increases on financially needy undergraduates and 50 percent for academic graduate student aid.

Student fee levels

The Regents approved the following increases in student fees for 2008-09:

- **Undergraduate students:** Mandatory systemwide student fees will increase by 7.4 percent above the current fee level. For resident undergraduates, this means fees will rise by **\$490**. In addition, all enrolled students will continue to pay a temporary **\$60** surcharge approved by the Regents in July 2005 to address the loss of revenue stemming from the *Kashmiri* lawsuit. (This temporary fee will be assessed to all students until such time as the costs associated with the final court-determined judgment of the *Kashmiri* lawsuit are fully repaid). The increase will bring the total mandatory systemwide fees for resident undergraduates to **\$7,126**. With additional miscellaneous fees charged by individual campuses, their average systemwide fees will total approximately **\$8,007**.

- **Graduate students:** Mandatory systemwide fees for resident graduate academic students will also increase **7.4 percent**, or **\$546** per year, in 2008-09. In addition, all enrolled students will continue to pay a temporary **\$60** surcharge approved by the Regents in July 2005 to address the loss of revenue stemming from the *Kashmiri* lawsuit. This will bring the total mandatory systemwide fees for resident graduate academic students to **\$7,986**. Adding in miscellaneous campus fees, their average total fees will total approximately **\$10,376**.
- **Professional students:** In addition to increases in the professional degree fee approved by the Board of Regents in September 2007 (please see: www.universityofcalifornia.edu/regents/regmeet/sept07/j3display1.pdf), mandatory systemwide fees for professional students will be increased by **7.4 percent**, or **\$486** a year for most students paying professional school fees. Additionally, all enrolled students will continue to pay a temporary **\$60** surcharge approved by the Regents in July 2005 to address the loss of revenue stemming from the *Kashmiri* lawsuit. This will bring total mandatory systemwide fees for most professional students to **\$7,068**. Increases for professional degree students enrolled in public health, public policy, and the International Relations and Pacific Studies program at San Diego are equal to graduate academic students.
- **Nonresident tuition fee:** In addition to mandatory systemwide fees, out-of-state students must pay nonresident tuition. The nonresident undergraduate tuition will increase by **5 percent** in 2008-09, raising nonresident tuition by **\$953**, from **\$19,068** to **\$20,021**. Nonresident tuition will remain at **\$14,694** for graduate academic students and **\$12,245** for professional students. Taken together with mandatory systemwide fees and campus fees, nonresident student charges in 2008-09 will average about **\$28,615** for undergraduate students and about **\$25,380** for graduate academic students.

Financial aid in place to offset impact of fee increase

Both the governor's proposed state budget and the University of California plan to use financial aid to mitigate the impact of fee increases on financially needy students.

The governor's budget proposes sufficient increases in Cal Grant awards to offset the proposed fee increases for UC Cal Grant recipients. The university will also return an amount equivalent to 33 percent of revenues generated by the proposed undergraduate fee increase to financial aid. This "return to aid," when combined with federal grant aid and the state's Cal Grant program, will allow UC to provide additional financial assistance to UC grant recipients who are considered needy under federal eligibility standards and whose family incomes are generally lower than approximately \$60,000 per year.

In addition, the university will provide a grant covering approximately 50 percent of the fee increase to other needy on-time financial aid applicants whose family incomes are below \$100,000 per year.

Additional provisions for UC financial aid at the graduate level will make available a 50 percent return-to-aid for graduate academic students and a 33 percent return-to-aid will be implemented for professional school students to mitigate the impact of the proposed fee increases.

Some national comparisons

- Even with the fee increases, total charges for resident undergraduate and graduate academic students are expected to remain well below the average fees charged at the university's four public salary comparison institutions (University of Michigan, University of Illinois, University of Virginia and SUNY Buffalo).

- The comparisons for nonresident students are a different matter. The university's fees for nonresident undergraduate and graduate students currently exceed the average fees for the comparison institutions. Even so, the university's tuition and fees for nonresident students continue to represent the mid-point among our public salary comparison institutions. We expect to retain these relative positions among our comparison institutions even with these increases.