



Q&A on Student Fees

- **The state's budget deficit has resulted in program cuts at UC**
- **A spring student fee increase at UC will prevent deeper cuts and protect the instructional program**
- **The governor's budget proposal for 2003-04 assumes additional fee increases next year**
- **Financial aid will mitigate the impact of fee increases on lower-income students**

Q. What is the student fee increase that will be occurring at the University of California this spring?

A. To help address state budget reductions and protect the core instructional program from cuts, the UC Board of Regents has approved an increase in mandatory systemwide student fees of \$135 per quarter, or \$405 on an annualized basis, beginning with the spring 2003 term. This will be the first such fee increase at UC in eight years.

Q. When will the fee increase take effect?

A. The increase will be implemented in the spring term of the 2002-03 academic year. At all campuses except UC Berkeley, the spring quarter begins in late March and student fee payments are due by mid-March. At UC Berkeley, which is on the semester system, the spring term begins in January, but students will not have to pay the additional \$135 until mid-semester.

Q. What about next year?

A. Unfortunately, further student fee increases in 2003-04 are likely given the severity of the state's budget situation and the University's commitment to protecting student instructional programs from cuts. The governor's budget proposal for 2003-04 includes a \$179 million cut to instructional programs but assumes this gap will be filled by a student fee increase. Under the budget's assumptions, mandatory systemwide student fees at UC would be increased in 2003-04, on top of the already-approved \$405 annual increase described above, by \$795 for resident undergraduates and \$855 for resident graduate academic students. However, the Board of Regents will not set actual student fee levels for 2003-04 until later this spring.

Q. Why is this happening?

A. The state of California is facing a budget deficit of unprecedented size, resulting in major budget cuts across state government. The UC system's \$3 billion state-funded budget, under the governor's proposal for next year, will be nearly \$1 billion (\$956.8 million) below the level the university had expected by this point under its Partnership Agreement with the governor, an agreement that outlines the university's basic funding requirements. This shortfall consists of both actual cuts to UC programs and forgone funding for UC faculty and staff salary increases and other cost increases. To get through this difficult period, the university must look to a balanced package of solutions; deep cuts are now being taken in most areas of the university's budget. Protecting access and quality in the student instructional program is UC's top budget priority.

Q. What are UC student fees now?

A. Mandatory systemwide student fees have not increased at UC since 1994-95; in fact, in the late 1990s they fell 10 percent for resident undergraduates and 5 percent for resident graduate academic students. Currently, full-year systemwide fees are \$3,429 for resident undergraduates and \$3,609 for resident graduate academic students (prior to the spring 2003 increase). Campus-based miscellaneous fees add to the total. However, two-thirds of UC students receive financial aid – more than half of it in the form of grants that do not have to be repaid – reducing the “sticker price” of student fees.

Q. How will students and their families be impacted by fee increases?

A. One-third of the revenue from any fee increase will be returned directly to financial aid in order to mitigate the impact on lower-income families, and Cal Grants also will increase proportionally. In general, students with less than \$60,000 in annual family income will not be impacted by an increase in student fees. Students receiving Cal Grants or UC financial aid grants (as opposed to loans) also should not feel the impact of a student fee increase.

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Q. What about professional school fees?

A. In addition to the \$135 systemwide fee increase beginning with the spring 2003 term, the Regents approved increases in student fees for professional school programs of between \$150 and \$400 per quarter beginning this spring. These increases were proposed to help prevent deeper budget cuts and in recognition of the fact that fees for all of UC's professional school programs are now significantly lower than the average at comparable public universities. The differential ranges from \$2,200 per year in nursing to \$8,400 in medicine. The spring professional school fee increases are \$150 in nursing and the UCLA theater/film/television program, \$250 in pharmacy and optometry, \$350 in veterinary medicine, and \$400 in medicine, business, law, and dentistry (all figures per quarter). The governor's budget proposal for 2003-04 assumes these professional school fees will rise further in fall 2003. The budget assumes a cumulative 35% increase over the two years of 2002-03 and 2003-04; the spring 2003 increases ranged from 19% to 26%, varying by field. The Board of Regents will not set student fee levels for 2003-04 until later this spring.

Q. How much of the budget problem is being addressed through student fees?

A. The student fee increases assumed in the governor's budget proposal would net \$179.1 million in revenue, representing less than 20 percent of the solution to the university's \$956.8 million budget shortfall. More than 80 percent of the solution would come through cuts to university programs (in areas including administration, libraries, research, educational outreach, teacher professional development, student services, and public service) and through lagging salaries for faculty and staff, including the lower-than-expected salary increases they have seen for the last two years.

Q. What is happening in other states?

A. Many public universities across the United States have been forced to raise student fees and may do so again next year. Student fees for 2002-03 alone have increased (over 2001-02 levels) by 20.8% at the University of Kansas, 19.8% at the University of North Carolina—Chapel Hill, 16% at the University of Washington, 16% at the University of Minnesota—Twin Cities, 13.6% at the University of Massachusetts—Amherst, 13.6% at the University of Missouri—Columbia, and 13.5% at Pennsylvania State University, to cite a few examples. These figures are from an annual survey conducted by the National Association of State Universities and Land-Grant Colleges; full results of the survey are available on the web at <http://www.nasulgc.org/>.

Q. Where can I get more information?

A. These are among the web sites that may be useful to you:

Updates on the UC budget: <http://www.ucop.edu/news/budget/>

Information about financial aid: <http://www.universityofcalifornia.edu/admissions/financialaid.html>

Governor's state budget documents: http://www.dof.ca.gov/HTML/BUD_DOCS/Bud_link.htm.