



2003-04 Student Fees

- **UC took \$410 million in cuts in the 2003-04 state budget adopted by the California Legislature**
- **UC student fees increased 30 percent as a result**
- **Financial aid will mitigate the impact for many UC students**

The University of California experienced major budget cuts for the 2003-04 fiscal year. To help close the gap, at its July 16-17 meeting the UC Board of Regents raised student fees 25 percent – with additional presidential authority to raise fees another 5 percent if the state budget crisis warranted doing so. That step was taken on July 30, after the Legislature approved a budget that included an additional \$18 million unallocated cut for UC, bringing the year's total cuts to \$410 million.

UC's top priority is preserving quality in the student instructional program. As a result, deep cuts are being taken in other areas of the University's budget. Many programs have been cut by 30 to 50 percent; employee layoffs are planned or underway in these areas. Areas being cut include administration, libraries, research, student services, public service, and many others. State funding for some programs, such as teacher professional development, has already been largely eliminated. The major cuts include a \$33.3 million cut to outreach, a \$4 million cut to UC Merced which delays the opening of the campus by one year, a \$36.5 million cut to administration and libraries and a \$28.8 million cut to research.

Additionally, the budget did not fund cost-of-living increases for UC faculty and staff. As a result, UC faculty salaries are expected to fall at least 9 percent behind those of comparable institutions in 2003-04, and the University has a similar challenge with respect to staff salaries.

New Student Fee Levels

- **Undergraduate fees:** Mandatory systemwide student fees increased 30 percent above the previous fee level, which reflected the \$405 annualized increase that was adopted for the spring 2003 term. For resident undergraduates, the additional 30 percent raised fees \$1,150 bringing mandatory systemwide fees for resident undergraduates to \$4,984. Campuses also charge additional miscellaneous fees, which bring the total average fees to \$5,530.
- **Graduate fees:** Resident graduate academic student fees increased 30 percent or \$1,205 per year in 2003-04, on top of the already-enacted \$405 annualized increase for spring 2003, bringing mandatory systemwide fees for such students to \$5,219. The average total fees (including miscellaneous campus fees) stand at \$6,843.
- **Nonresident tuition and fees:** In addition to mandatory systemwide fees, out-of-state students must pay

Preserving Access: UC Financial Aid

- **Financial aid will cover the fee increase for approximately 40 percent of all UC undergraduates.**
- **In general, financially needy undergraduates from families with annual incomes of \$60,000 or less who applied by the March 2 financial aid priority deadline will not pay any fee increases.** UC will include a UC Fee Grant or Cal Grant that offsets increases in mandatory systemwide resident fees in the aid packages of such students.
- **In general, other financially needy students from families with annual incomes up to \$90,000 will receive a grant to cover a portion of anticipated fee increases.** Students can apply for a partial UC Fee Grant by filing the FAFSA before October 15, 2003.
- Students from all income groups who encounter extraordinary financial difficulties will be considered on a case-by-case basis for a reassessment of their financial aid eligibility. Those who are determined upon review to have sufficient need will receive a UC Fee Grant to offset a portion of increases in mandatory systemwide fees.
- Many middle- and upper-income parents also can get help to cover fee increases. Those who already benefit from federal tax credits such as the Hope and Lifetime credits (which currently range in value from \$800 to \$3,000) may see them increase slightly to cover a portion of the increase. Scholarships and parent loans also are available to families in all income groups.

nonresident tuition. Tuition levels increased by 10 percent or \$1,250 for undergraduates and \$1,113 for graduate students in 2003-04. Out-of-state students also pay regular student fees, which increased by \$1,260 for 2003-04, bringing total average nonresident tuition and fees at UC to \$19,740 for undergraduates and \$19,333 for graduate students.

- **Professional school fees:** Professional school students pay two types of fees. Fees for Selected Professional School Students increased by 30 percent for each degree program, with increases ranging from \$675 for Nursing to \$2,273 for Law. With these increases, Fees for Selected Professional School Students range from \$2,925 for Nursing to \$9,849 for Law. Professional school students also pay mandatory systemwide fees, which increased by \$1,260 and when those fees are factored in, the total fees for resident students range from \$9,894 for Nursing to \$16,833 for Law.

Fee Increases in Perspective

- **Seven years of no increases:** The strong economy of the mid-to-late 1990s prevented mandatory systemwide student fees at UC from rising for seven consecutive years. Before the spring 2003 increase, the last increase was in 1994-95, and fees fell 10 percent for resident undergraduates and 5 percent for resident graduate academic students between 1998 and 2000. Even with the \$405 increase in spring 2003, mandatory systemwide undergraduate student fees were just \$35 per year more than they were in 1994-95.
- **State pays more than two thirds of the cost:** The full cost of instructing a UC undergraduate has increased from about \$12,000 per year in 1991 to about \$16,900 in 2002-03. Student fees increased in the early 1990s to cover a portion of these costs, but for the seven-year period that followed, students and parents did not have to pay for these cost increases. Instead, through a state “buy-out” made possible by California’s strong economy through 2000-01, the state has made up the difference to keep a high-quality UC education affordable for California families.
- **Impact of the state budget crisis:** Unfortunately, California’s declining economic fortunes mean the state can no longer provide as generous a subsidy to students – and a greater contribution from students and parents is required.
- **By comparison:** Even with a 30 percent fee increase, fees for resident undergraduates would still be more than \$1,200 below the average charged at other public universities (Illinois, Michigan, SUNY and Virginia) that UC uses for fee comparison purposes.

For more information on UC student fees and financial aid, visit www.ucop.edu/news/budget.