



**UNIVERSITY OF CALIFORNIA
APPROVAL OF PROPOSED INCREASES IN STUDENT FEES
FOR 2008-09**

Patrick J. Lenz, Vice President for Budget
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Proposed Actions for 2008-09

- Approve increases in mandatory systemwide fees:
 - 7% Educational Fee increase
 - 10% Registration Fee increase
- Approve increase in nonresident tuition:
 - 5% for undergraduate students only
- Continue \$60 temporary Educational Fee surcharge:
 - for all students until costs associated with the injunction and judgment of the *Kashmiri* lawsuit are fully repaid

2008-09 Regents' Budget Plan

- Based on Regents' priorities articulated in the November budget for restoring competitiveness
- Included new expenditures for:
 - compensation, including accelerated faculty salary plan
 - enrollment and program growth
 - new research and public service initiatives
 - increases in graduate student support & mental health services
- Action on student fees delayed until release of Governor's budget

Governor's Budget Proposal

- Compact funding for normal workload growth
- No funding for new initiatives or to buy-out student fee increases
- 10% budget reduction totaling \$332 million
- Net State funding reduction of \$108.7 million

2008-09 Updated Budget Scenario

Net New Revenue

State and UC general funds and student fee revenue \$2.1 million

Expenditures

Compensation & benefits, enrollment growth,
student mental health services, purchased utility deficits,
net of savings from OP efficiencies/restructuring -\$195.5 million

Additional High Priority Items

Additional compensation increases, accelerated
faculty salary plan, graduate student support,
non-salary price increases -\$148.8 million

Net Campus Reductions

-\$342.2 million

Mandatory Fee Increases

	Fee Increases	Total Mandatory Fees
Undergraduate		
– Resident	\$490	\$7,126
– Nonresident	\$525	\$7,713
Graduate Academic		
– Resident	\$546	\$7,986
– Nonresident	\$564	\$8,298
Graduate Professional		
– Varies by program and residency	\$486-564	\$7,068-8,298

Excludes campus-based fees.

Nonresident Tuition Increases

	Tuition Increases	Total Nonresident Tuition
Undergraduate	\$953	\$20,021
Graduate Academic	\$0	\$14,694
Graduate Professional	\$0	\$12,245

Return to Aid

- To mitigate the impact of higher educational costs, a portion of new fee revenue will be used for financial aid:
 - 33% of new fee revenue from undergraduates, with a portion to provide grants for middle-income students
 - 50% of new fee revenue from graduate academics
 - 33% of new fee revenue from professional degree students

Revenue from Proposed Fee Increases

- 7% Educational Fee increases, net of aid \$53.4 million
 - Revenue would help support the operating budget
- 10% Registration Fee increase \$16.9 million
 - ½ of new funds for mental health services
- 5% Nonresident Tuition increase \$6.0 million
 - Undergraduates only

Continuation of \$60 Surcharge

- Fee currently is covering losses of about \$20 million in uncollected professional school fees due to a court injunction.
- Liability in the case is nearly \$40 million (trial court judgment of \$33.8 million plus interest).
- Surcharge would continue until all costs from the injunction and the trial court judgment are recovered.
- A portion of the revenue from the surcharge would be used for financial aid.