



UNIVERSITY OF CALIFORNIA

Approval of the 2009-10 Mid-Year and 2010-11 Student Fee Increases, and Expansion of the Blue and Gold Opportunity Plan

Patrick J. Lenz

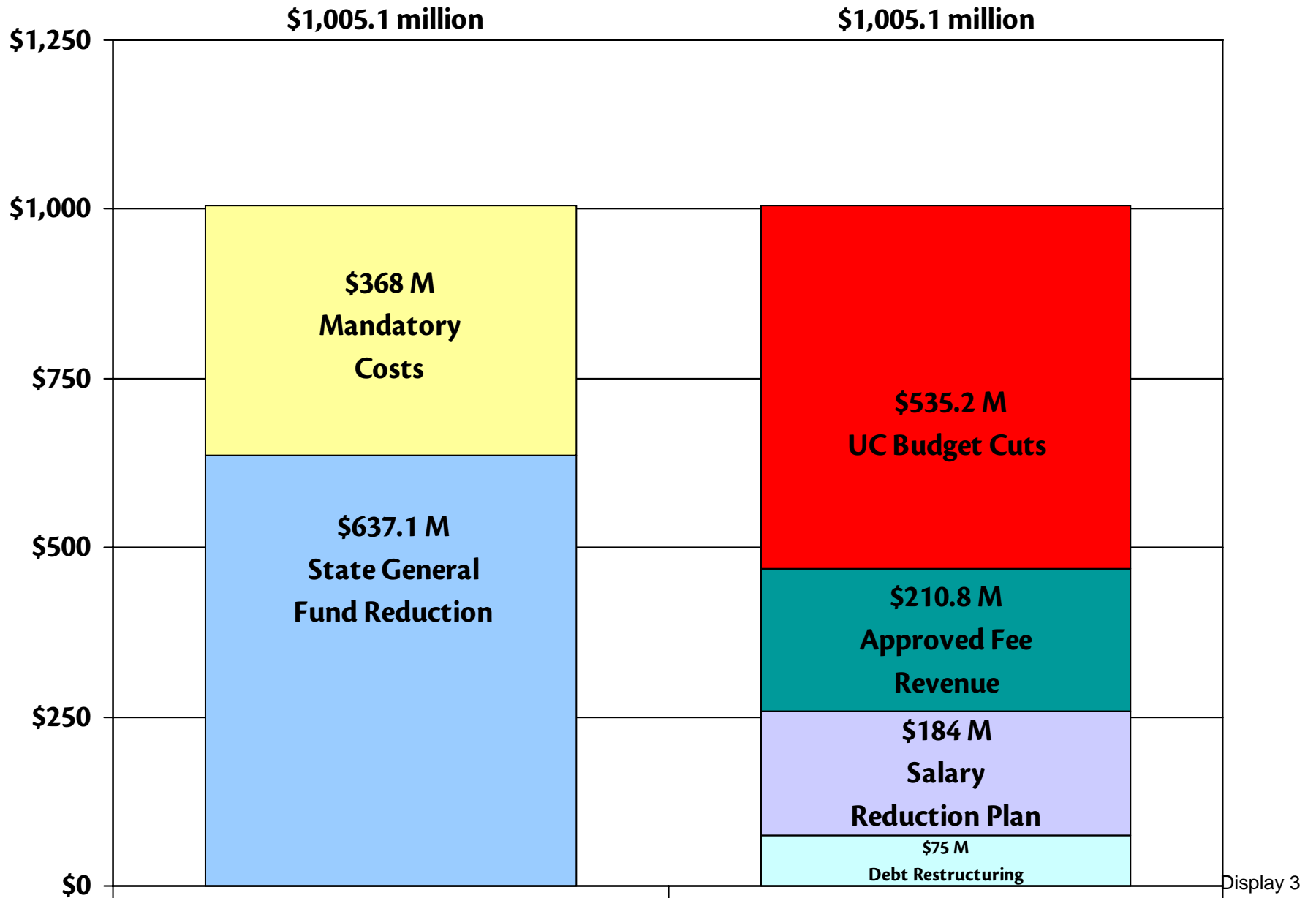
Vice President for Budget and Capital Resources

November 18, 2009

UC Budget Issues and Recommendations

- 2009-10 UC Budget (Actual)
- 2009-10 Mid-year
- 2010-11 UC Budget (Projected)
- 2010-11 Student Fee Increases
- Student Financial Aid
- Approval to Increase Blue and Gold Financial Aid

2009-10 UC Budget



Mid-Year Student Fee Increases

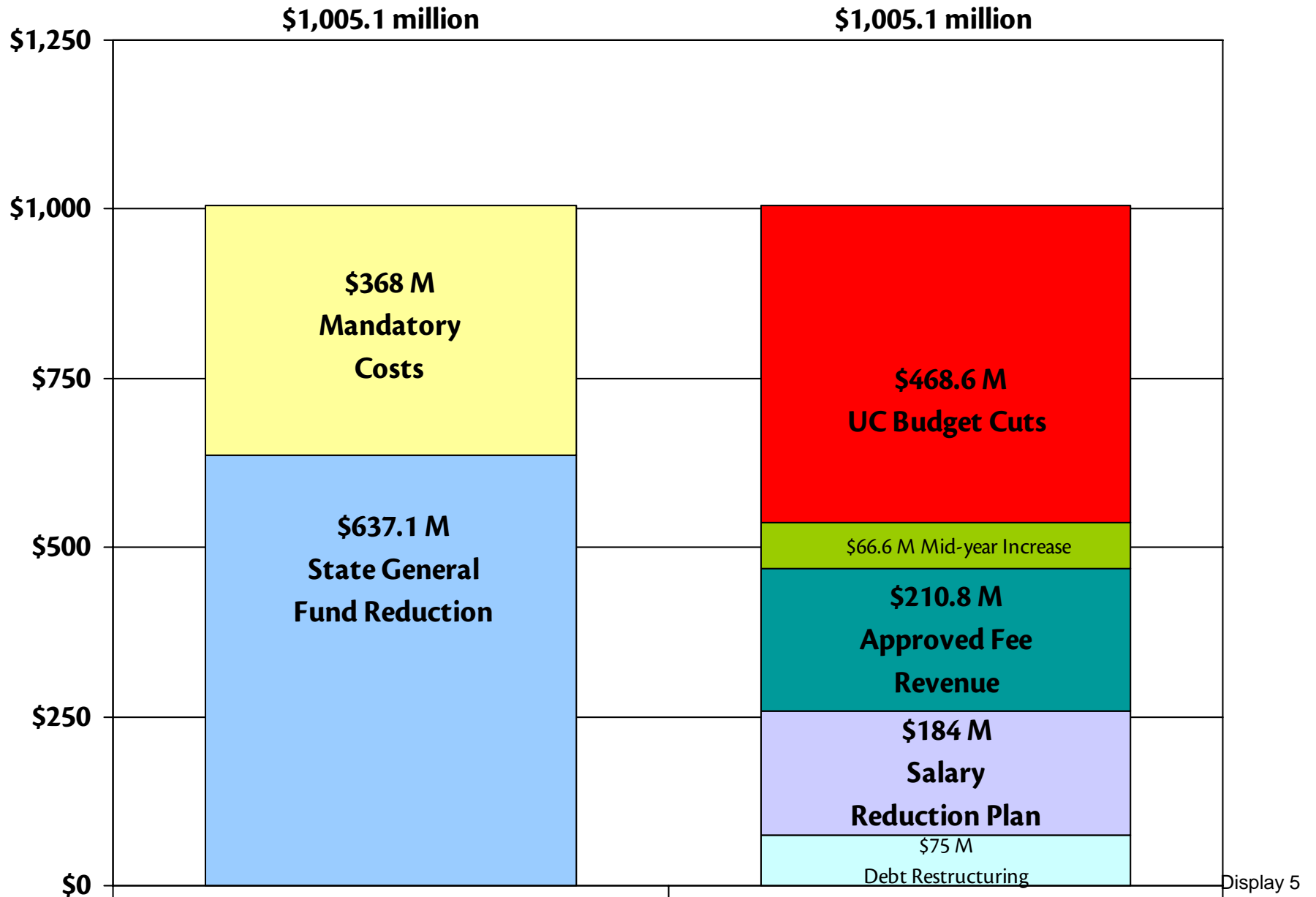
Resident Students	Current Fee	Proposed Increase*	Proposed Fee
Undergraduate	\$7,788	\$585	\$8,373
Graduate Academic	\$8,736	\$111	\$8,847
Graduate Professional	\$7,722-\$8,736	\$579-\$654	\$8,301-\$9,390

*Annualized fee increases would be \$1,170, \$222, and \$1,1580-\$1,308 for resident undergraduates, graduate academics, and graduate professional students, respectively.

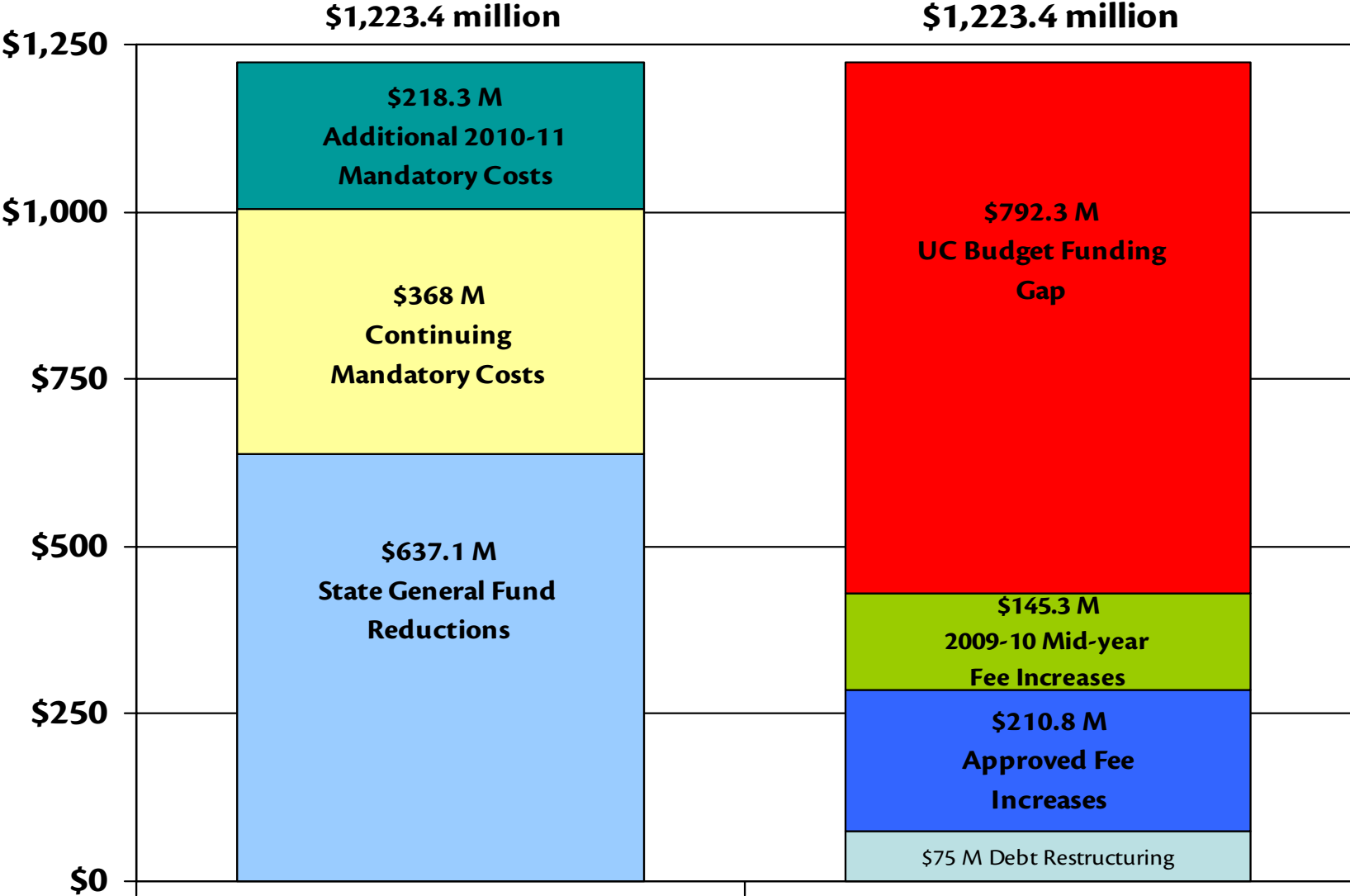
	Total Revenue	Student Financial Aid	Net Revenue
2009-10*	\$100.2 M	\$33.6 M	\$66.6 M

*During 2010-11, annualized fee increases would generate \$218.7 million in total revenue, of which \$73.4 million would be set aside for financial aid, providing \$145.3 million in net revenue to help address budget issues.

2009-10 UC Budget



2010-11 UC Potential Budget Reductions and Funding Issues

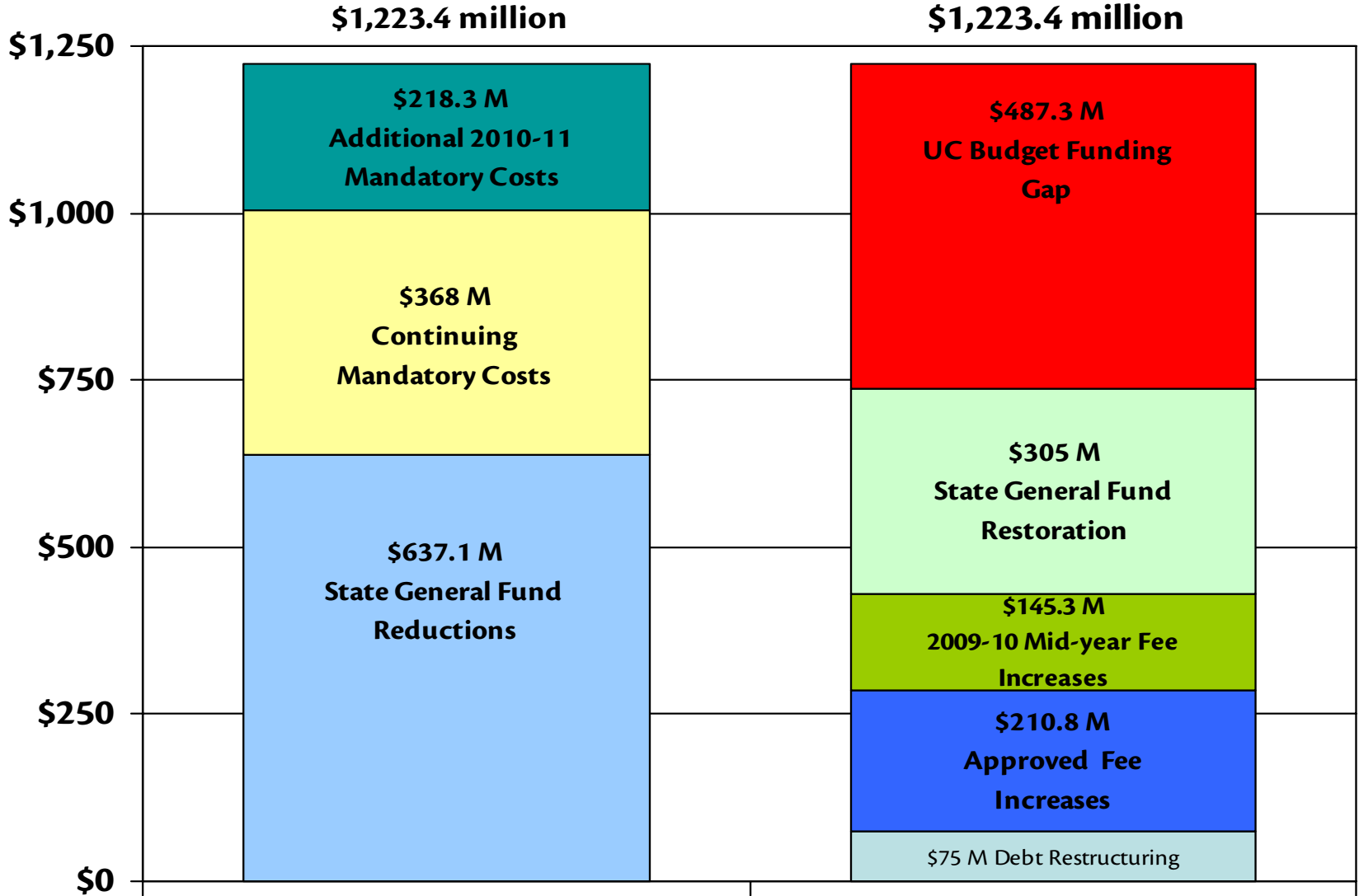


2010-11 State Funding Request

2010-11 State Funding Request: \$305 Million

2009-10 Budget Actions

2010-11 UC Potential Budget Reductions and Funding Issues

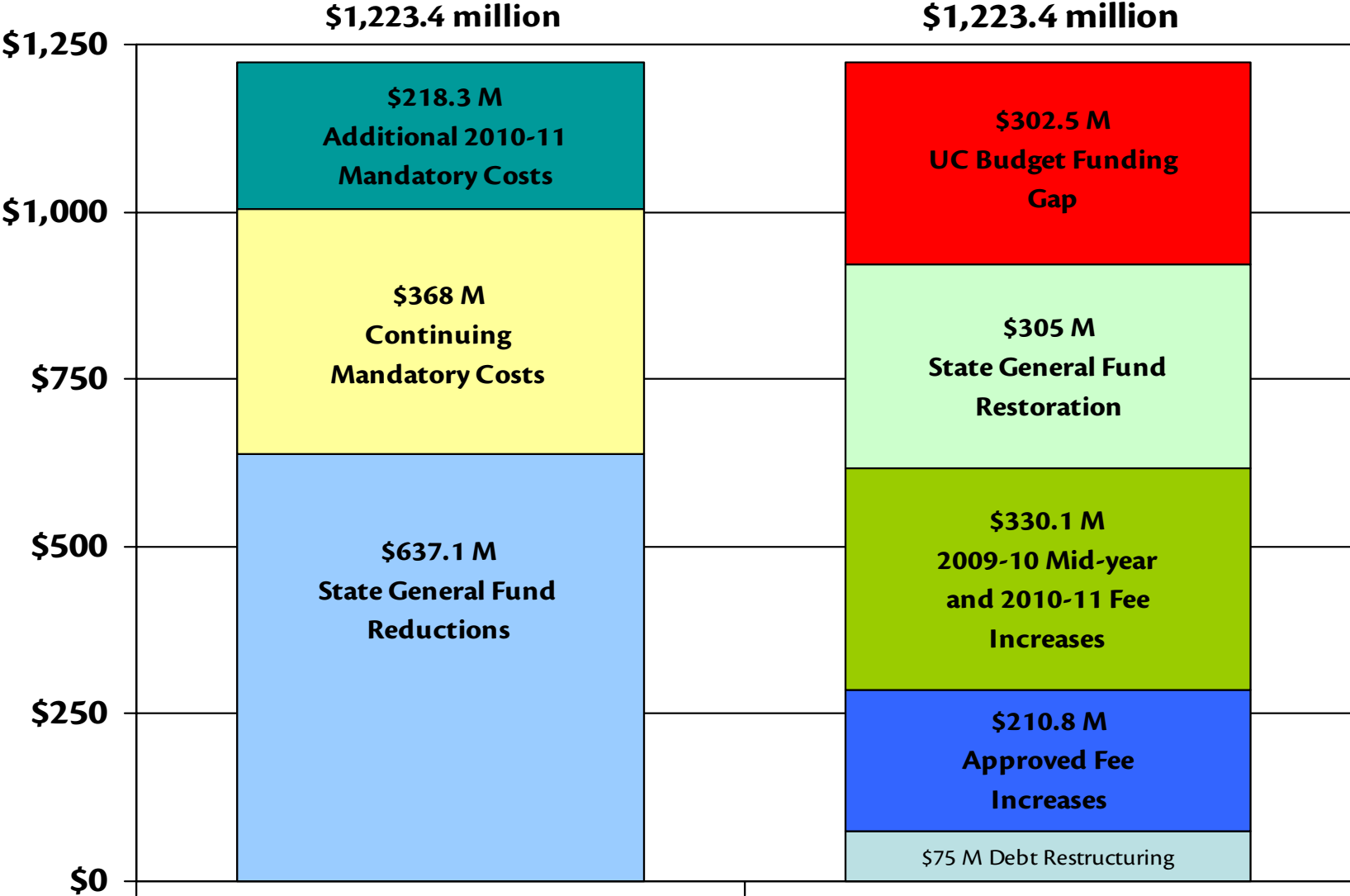


2010-11 Proposed Fee Increases

Resident Students	2009-10 Fees	Proposed Increase	Proposed 2010-11 Fee
Undergraduate	\$8,958	\$1,344	\$10,302
Graduate Academic	\$8,958	\$1,344	\$10,302
Graduate Professional	\$8,880- \$10,044	\$1,332- \$1,566	\$10,212- \$11,550

	Total Revenue	Student Financial Aid	Net Revenue
2010-11	\$286.4 M	\$101.7 M	\$184.7 M

2010-11 UC Potential Budget Reductions and Funding Issues



New Fee Revenue

How will it benefit UC?

- Increase financial aid
- Restore some class offerings
- Restore services for students and library hours
- Return to faculty hiring – although more slowly than in the past
- Address faculty retention issues
- End the furlough program on August 31
- No Educational Fee revenue is used to support capital facility projects.

Financial Aid for UC Undergraduates

- Financial aid and tax credits provided more than \$1.7 billion to UC undergraduates in 2008-09
- 55% of undergraduates received \$1 billion in grants and scholarships with an average award of \$11,100
- One-third of undergraduates are low-income, Pell Grant recipients, more than any other comparable research university

Financial Aid Enhancements: 2009-10

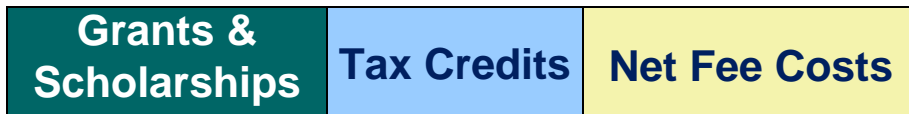
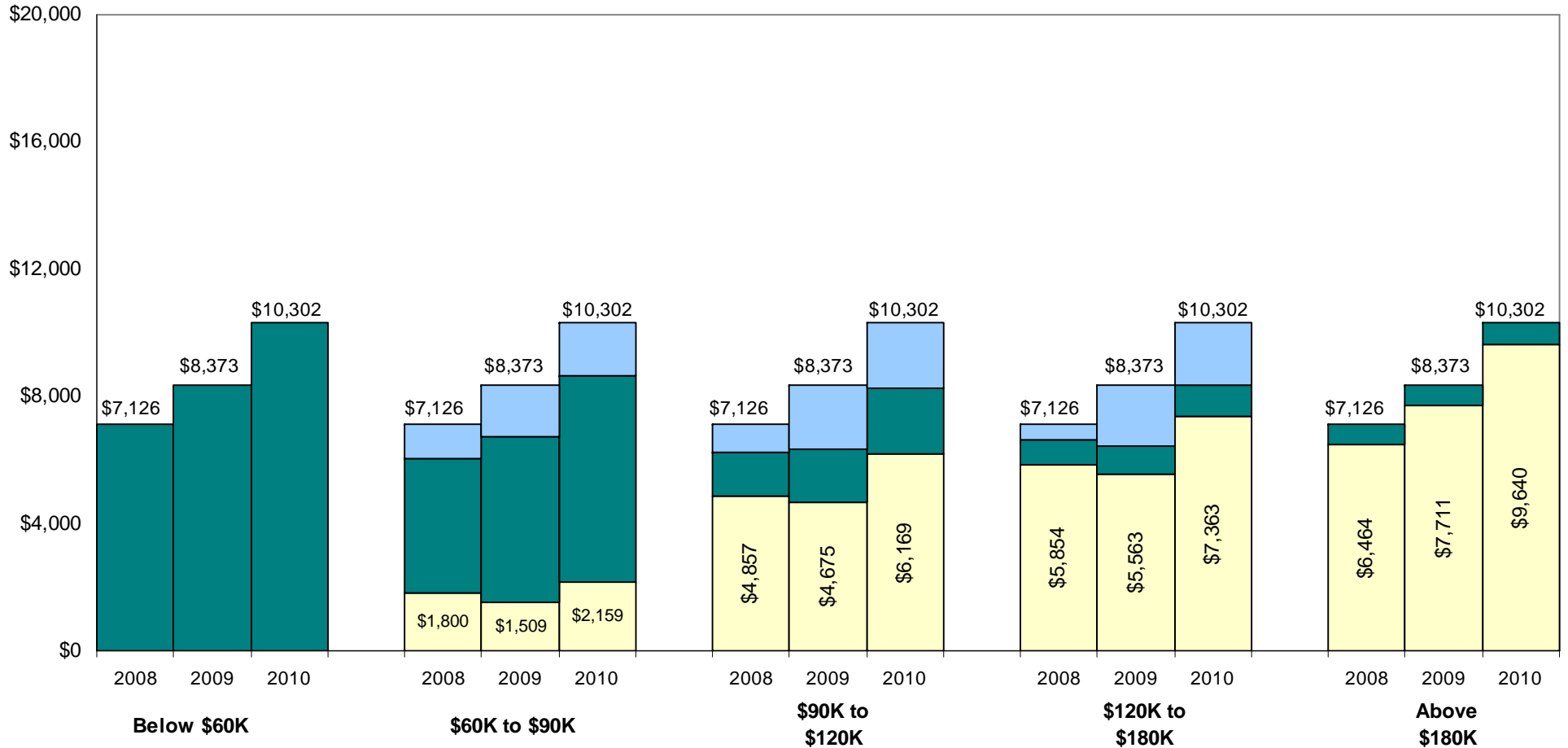
- Augmentations to Cal Grants and UC grants to cover fee increases of lower-income students
- Pell Grant expansion raising maximum award by \$619, from \$4,731 to \$5,350
- Tuition tax credit expansion raising maximum credit and raising income ceiling
- Introduction of Blue and Gold Opportunity Plan ensuring systemwide fees coverage

Financial Aid Enhancements: 2010-11

- Continue Undergraduate 33% return-to-aid policy and Graduate 50 % RTA
- Augmentations to Cal Grants to cover fee increases
- Further Pell Grant expansion raising maximum award by \$200 to \$5,550
- Expansion of Blue and Gold Opportunity Plan to include students with family income up to \$70,000

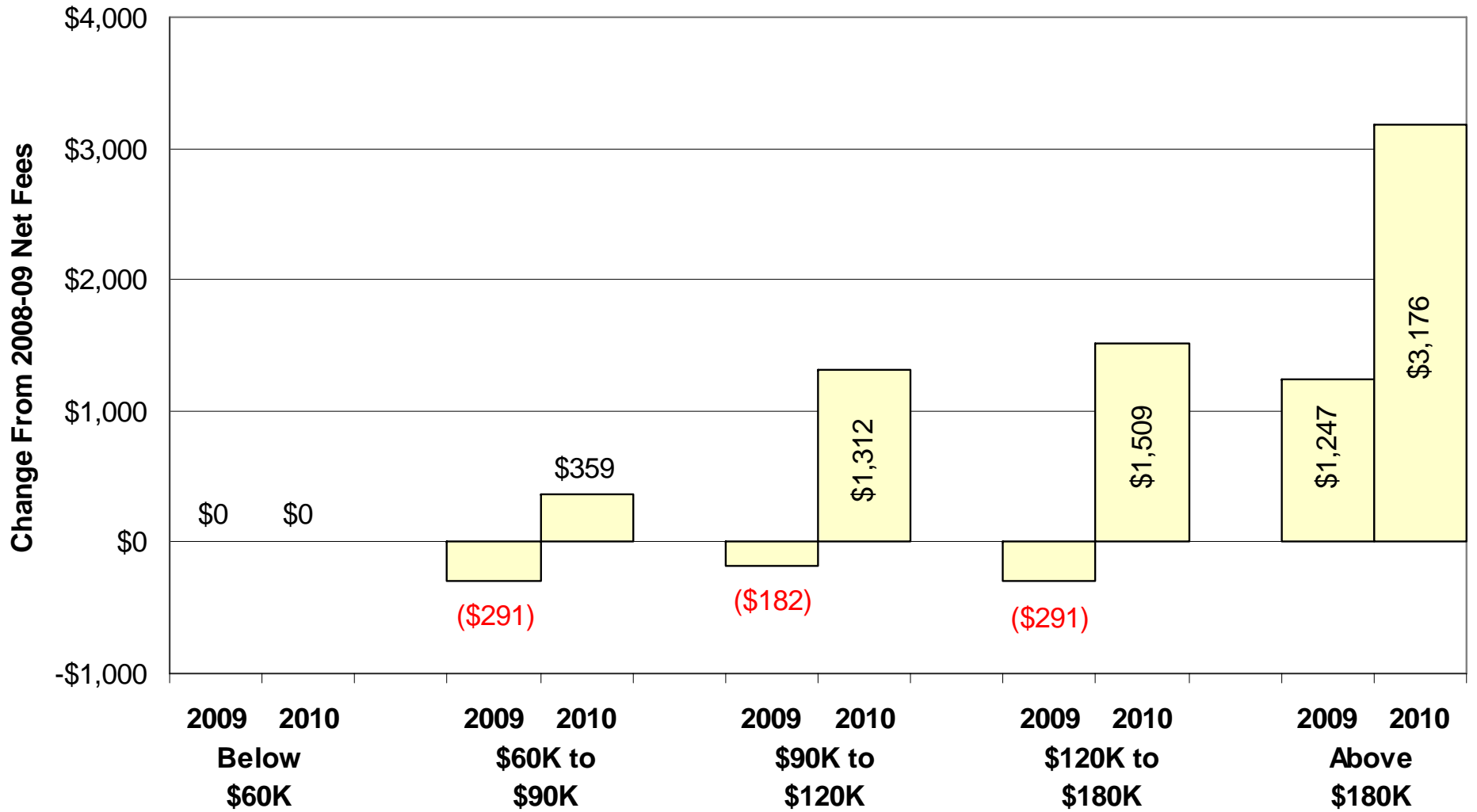
Estimated Financial Aid and Systemwide Fees

Average Per Undergraduate by Parent Income, 2008-09 through 2010-11



Estimated Change in Undergraduate Net Fee Costs

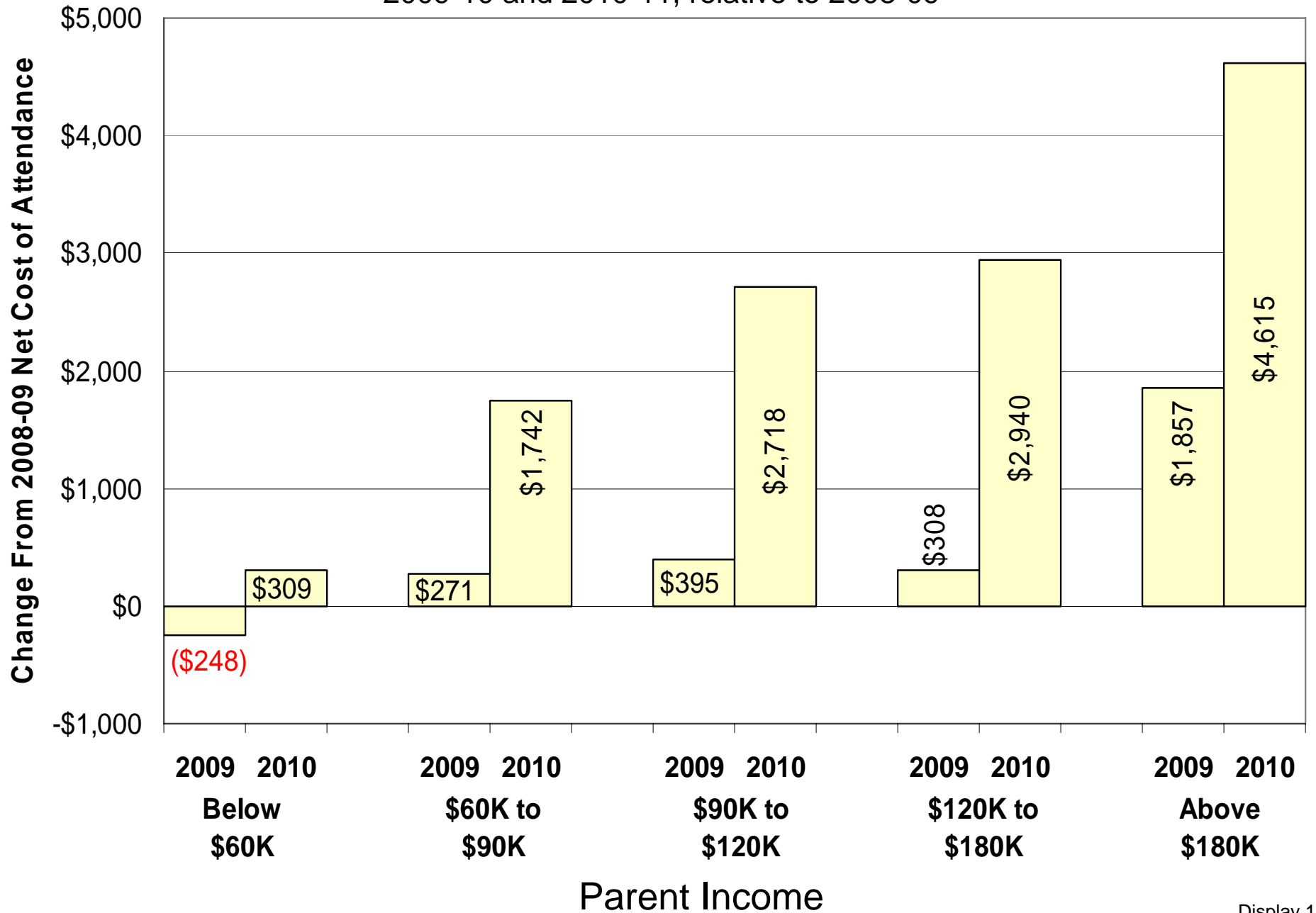
2009-10 and 2010-11, relative to 2008-09



Parent Income

Estimated Change in Net Cost of Attendance

2009-10 and 2010-11, relative to 2008-09



Why fee increases are needed now:

- To address current state underfunding and growing mandatory costs.
- To allow prospective students full information in making their college choice
- To provide new and continuing students sufficient time to address financial aid needs
- To provide campus leadership, faculty and students with resources to plan and manage their budget.
- Fee increases signal the need to stop fiscal freefall independent of state budget decisions.