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Steve Juarez, Associate Vice President and Director

April 16, 2015

The Honorable Jose Medina  
Chair, Assembly Higher Education Committee  
1020 N Street, Room 173  
Sacramento, CA 95814

**Re: AB 1307 (McCarty), as amended March 26, 2015**  
**Scheduled for hearing in the Assembly Higher Education Committee on April 21, 2015**  
**Position: CONCERN**

Dear Chair Medina:

Respectfully, I write to express the University of California's concerns regarding AB 1307, which as a condition of state funding prohibits UC from raising tuition above the current level of \$12,192.

The University acknowledges the need to address the rising costs of education and both appreciate and share the author's interest in protecting California's students. However, The State funds the UC system at the same level as it did in 1999, even though today we enroll 83,000 more students (more than Berkeley and UCLA combined) and have one more campus. By addressing only one piece of the University's funding structure (tuition) without addressing the state's disinvestment in its public research university system, we are concerned that AB 1307 will further hamper UC's ability to enroll all eligible California students and provide them with the financial aid and quality education they deserve and expect.

As you are aware, university tuition is directly tied to state support. When the economy declines, State support for its universities declines and tuition increases. In good economic times, the State has generally reinvested significantly in its universities to allow fees to remain steady or even decrease. This boom-and-bust cycle was most evident during the Great Recession of the late 2000s. And as the economy has stabilized, so has tuition, which has not been increased for the past three years.

A tuition freeze as proposed by the bill could leave the University with about \$100 million less revenue than UC needs to cover operating expenses in 2015-16; if state funding remained at the levels provided in the Governor's multi-year funding plan, the gap could grow to about \$440 million by 2018-19 under a tuition freeze, resulting in enrollment reductions rather than

increases, fewer course offerings, delayed graduation times, and the quality of a UC education would erode for every enrolled student and for future generations of students.

We are also concerned about the impact of this bill on financially needy students because it would negate increases to UC's institutional aid program, which is funded by tuition increases. Currently, over one-half of UC students actually benefit from tuition increases because increases in the Cal Grant program and UC's return-to-aid program generate enough revenue to fully cover the tuition increase for these students and provide extra aid to help cover the increases in these other expenses. Financially needy students would also suffer most from reduced course availability and other cuts to student services, since anything that prolongs their time-to-degree will also increase their total student loan debt upon graduation.

We appreciate and share your interest in finding ways to provide predictability and stability with regard to fees. We look forward to continuing these discussions as part of your budget subcommittee process to ensure that UC and the State can continue their longstanding commitment of access for California students and preserve the quality of a UC education.

Thank you for your consideration of the University's views. Should you have any questions on the University's position on AB 1307, please do not hesitate to contact me at (916) 445-9924.

Sincerely,



Nadia Leal-Carrillo  
Legislative Director

cc: Assemblymember Kevin McCarty  
Members of the Assembly Higher Education Committee  
President Janet Napolitano  
Provost & Executive Vice President Aimée Dorr  
Executive Vice President & CFO Nathan Brostrom  
Senior Vice President Nelson Peacock  
Associate Vice President & Director Steve Juarez