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

Patrick J. Lenz, Vice President for Budget
May 14, 2008
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
<table>
<thead>
<tr>
<th></th>
<th>Fee Increases</th>
<th>Total Mandatory Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Resident</td>
<td>$490</td>
<td>$7,126</td>
</tr>
<tr>
<td>– Nonresident</td>
<td>$525</td>
<td>$7,713</td>
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<tr>
<td><strong>Graduate Academic</strong></td>
<td></td>
<td></td>
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<tr>
<td>– Resident</td>
<td>$546</td>
<td>$7,986</td>
</tr>
<tr>
<td>– Nonresident</td>
<td>$564</td>
<td>$8,298</td>
</tr>
<tr>
<td><strong>Graduate Professional</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Varies by program and residency</td>
<td>$486-564</td>
<td>$7,068-8,298</td>
</tr>
</tbody>
</table>

Excludes campus-based fees.
## Nonresident Tuition Increases

<table>
<thead>
<tr>
<th></th>
<th>Tuition Increases</th>
<th>Total Nonresident Tuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>$953</td>
<td>$20,021</td>
</tr>
<tr>
<td>Graduate Academic</td>
<td>$0</td>
<td>$14,694</td>
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<tr>
<td>Graduate Professional</td>
<td>$0</td>
<td>$12,245</td>
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</tbody>
</table>
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.