



March 2007

2007-08 Student Fees

On March 14, the UC Board of Regents approved increases in student fees for the 2007-08 academic year. The increases are consistent with those recognized in Governor Schwarzenegger's 2007-08 state budget, and in line with the compact between UC and the governor, which includes a provision for regular annual fee increases.

Mandatory systemwide fees will increase by 7 percent for undergraduates and resident graduate academic students starting in summer 2007. Professional school fees will also increase by 7 percent for most programs, and an average total of 10 percent at selected law and business schools. In addition, a temporary \$60 surcharge approved by the Regents in July 2005 will be applied to all enrolled students. This surcharge was established to address the loss of revenue stemming from a court ruling in a class action lawsuit by UC professional school students. The fee will be assessed until the shortfall in revenue is fully replaced.

The fee increases are necessary to meet the University's budget needs of preserving the quality of UC's instructional and research programs, and ensuring that all students continue to have access to the classes they need to progress to timely graduation.

Another budget priority is the enhancement of mental health services provided to students. Given the serious and urgent need for enhanced mental health services, the University will set aside 43 percent of the revenue generated by the 7-percent increase in the registration fee -- approximately \$4.6 million -- to fund initial steps in enhancing mental health services. The additional 57 percent will be used to fund salary and other necessary cost increases.

The fee increases are accompanied by an increase in UC grant assistance for needy low- and middle-income students along with a commensurate increase in Cal Grant awards for UC Cal Grant recipients. In fact, 43% of undergraduates, generally those students with parent incomes below about \$60,000, will have their full fee increase covered by additional grant funds. Other needy students, with parent incomes below \$100,000 will have half of their fee increase covered by additional grant funds.

The new fee levels will take effect with the summer 2007 term and include:

- **Undergraduate students:** Mandatory systemwide fees for resident undergraduates will increase by 7 percent or \$435 per year. In addition, all enrolled students will also pay the temporary \$60 surcharge. This will bring the total mandatory systemwide fees for resident undergraduates to \$6,636. With additional miscellaneous fees charged by individual campuses, their average systemwide fees will total approximately \$7,347.
- **Graduate students:** Mandatory systemwide fees for resident graduate academic students will also increase 7 percent or \$483 per year. In addition, all enrolled students will also pay the temporary \$60 surcharge. This will bring the total mandatory systemwide fees for resident graduate academic students to \$7,440. Adding in miscellaneous campus fees, their average total fees will total approximately \$9,481.
- **Professional students:** Mandatory systemwide fees for professional students will be increased by 7 percent, or \$430 a year for most students paying professional school fees. Additionally, all enrolled students will pay the temporary \$60 surcharge. This will bring total mandatory systemwide fees for most professional students to

\$6,582. In addition, professional school fees will be increased by 7 percent for most programs to cover cost increases funded from professional school fee revenue. In recognition of the disproportionate cuts taken the Berkeley, Davis and UCLA law schools and the business programs at Berkeley and UCLA, professional school fees at those schools will be increased by about 12 percent and mandatory fees (educational and registration) will increase by 7 percent for an overall average increase of 10 percent to sustain excellence and provide additional financial assistance to professional students.

- **Nonresident tuition fee:** In addition to mandatory systemwide fees, out-of-state students must pay nonresident tuition. The nonresident undergraduate tuition will increase by 5 percent in 2007-08, raising nonresident tuition by \$900, from \$18,168 to \$19,068. Nonresident tuition will remain at \$14,694 for graduate academic students and \$12,245 for professional students. Together with mandatory systemwide fees and campus fees, nonresident student charges in 2007-08 will total \$27,027 for undergraduate students and \$24,469 for graduate academic students.

Financial aid in place to offset impact of fee increase

Both the governor's proposed state budget and the University of California plan to use financial aid to mitigate the effect of fee increases.

The governor's budget proposes a \$16 million increase in Cal Grant awards to offset the proposed fee increases for UC Cal Grant recipients. The University will also return an amount equivalent to 33 percent of revenues generated by the undergraduate fee increase to financial aid. This means that UC will be able to provide an additional grant covering 100 percent of the fee increase to on-time financial aid applicants whose family incomes are lower than approximately \$60,000 per year.

The "return to aid" also allows the University to provide a grant covering 50 percent of the fee increase to other needy on-time financial aid applicants whose family incomes are below \$100,000 per year.

Additional provisions for UC financial aid at the graduate level will make available a 45 percent return-to-aid for graduate academic students, and a 33 percent return-to-aid will be implemented for professional school students to mitigate the impact of the proposed fee increases.

Some national comparisons

- Even with the proposed fee increase, total charges for UC resident undergraduate and graduate academic students are expected to remain well below the average fees charged at the University's four public salary comparison institutions.
- In 2006-07, UC's total cost of attendance (including the cost of mandatory student health insurance) was slightly less than Michigan and Illinois and more than Virginia and SUNY Buffalo. Simple cost comparisons, however, ignore the effects of financial aid at UC, which benefits both from a strong state and institutional grant program. Taking into account scholarship and grant assistance, UC's average net cost (costs less gift aid) was below the average estimated net cost at its comparison institutions for need-based aid recipients in 2006-07.