



Professional School Fees beginning 2005-06

Over the last four years, state budget cuts have had a major impact on the University of California. As a result, UC has lost 15 percent of its state funding at a time when population-driven enrollments have increased 19 percent. The result has been program cutbacks, erosion in the competitiveness of faculty and staff salaries, and substantial student fee increases for all students, including students in the University's professional schools.

In addition, the 2004 Governor's Budget cut professional school budgets by more than \$42 million in 2004-05 with the expectation that professional school fees would be increased to offset the cuts. As a result, professional school fees are much higher but the schools have been unable to make the necessary investments to maintain the academic quality of their programs and to increase financial aid so that the neediest students are still able to attend. Today, preservation of academic quality and maintenance of sufficient financial aid remain major issues confronting many of the professional schools.

Because of the continuing need to address program quality and financial aid issues in the professional schools, and given the shortfalls in University revenue that have resulted from litigation related to prior professional school fee increases, the UC Board of Regents at its May 26 meeting was asked to consider additional fee increases for professional school students for 2005-06 (see link for May's Regents items on professional fees). At that meeting, while the Committee on Finance approved the recommended approval of these increases, the Board deferred a final vote to give the entire Board the opportunity to vote on them.

The UC Board of Regents at its July 21 meeting will be asked to vote on these two professional school fee items; however, to ensure that students receive adequate notice of the fee increases, the President is proposing that the items be amended as described below:

Proposed fee increases

1. Additional increases in professional school fees for 2005-06: To address the quality and financial aid needs addressed above, the Board of Regents will be asked to consider supplemental increases in professional school fees for 2005-06 by amounts up to an additional 7 percent. When combined with the 3 percent increase approved in November, these additional increases would produce a maximum total increase of 10 percent in selected professional school fees in 2005-06. An amount equivalent to 25 percent of the new fee revenue would be set aside for financial aid for professional students. Under the revised proposal, two-thirds of the proposed increases, up to a maximum of 7.7 percent over 2004-05, would be implemented in 2005-06 beginning in the winter quarter/spring semester, with full implementation of the total 10 percent increases to be deferred until the 2006-07 academic year.

The amounts of the proposed increases vary by school, campus, and residency status, depending on the financial needs and market competitiveness factors of the individual professional school (see table on second page). The increases for 2005-06 range from \$136 in Nursing to \$776 for MBA students at UCLA. However, students in a number of professional programs would not see an increase at all.

2. Temporary increase in Educational Fee for selected professional school students beginning 2005-06 and all enrolled students beginning 2007-08: To address the additional revenue shortfall resulting from a court order associated with a student fee lawsuit, it is proposed that the Educational Fee be increased for 2005-06 only by \$700 beginning in the winter quarter/spring semester 2006 for all students subject to professional fees. It is proposed that the Educational Fee then be increased, for 2006-07 only, by \$1,050 over the 2004-05 fee level, or \$350 over the 2005-06 level, for students who are subject to the Fee for Selected Professional School Students. The temporary increase in the Educational Fee for these students would cease at the end of the 2006-07 academic year. These increases match the increase in the Educational Fee already being paid by graduate academic students. Because students enrolled in Public Health, Public Policy, and the UCSD International Relations and Pacific Studies program are already paying this higher level, they are excepted from these additional increases for professional school students.

It is also proposed that a surcharge of \$60 in the Educational Fee be assessed to all enrolled students beginning in 2007-08 until the remaining costs associated with the court order that prevents the University from collecting the professional fee increases approved by The Regents for 2004-05 and 2005-06 are covered.

Increases in Fees for Selected Professional School Students have been a subject of litigation. A trial court ordered that the University in 2004-05 and 2005-06 not collect professional school fees above the amount charged in 2003-04 for a certain class of students who first enrolled prior to December 2002 and whose professional school fees were raised beginning in 2002-03. This lost revenue to the University will total more than \$20 million by the end of 2005-06. While the University continues to believe in the validity of its legal position on the court case, the total amount of lost revenue could increase to \$55 million if refunds to affected students are ordered as part of an ultimate court decision. The temporary Educational Fee increases are being proposed to replace revenue lost as a result of the court order, which has further undermined the University's ability to preserve academic quality and provide sufficient financial aid to needy students.

Financial Aid

For these fee proposals, an amount equivalent to at least 25 percent of the revenue generated from the increases would be set aside for financial aid.

The fee increases of the last several years have been difficult for many students and families, and these proposed additional increases are not being undertaken lightly. They are under consideration as a result of the state budget cuts that have severely strained UC's finances. The University appreciates the patience and understanding of those affected by these potential actions.

Proposed fee increases for resident students by campus and degree

	Degree Program by Campus	2004-05 Total Fees	2005-06 Est. Total Fees as previously approved	2/3 Additional Professional Fee Increases Proposed	Temporary Educational Fee Increase	2005-06 Estimated Total Fees
Berkeley	Law	\$21,531	\$22,568	\$718	\$700	\$23,986
	Business	\$21,512	\$22,556	\$714	\$700	\$23,970
	Medicine	\$19,762	\$20,781	\$ -0-	\$700	\$21,481
	Optometry	\$15,327	\$16,215	\$405	\$700	\$17,320
	Public Health	N/A	\$12,085	\$ -0-	N/A	\$12,085
	Public Policy	N/A	\$12,085	\$ -0-	N/A	\$12,085
Davis	Law	\$21,224	\$22,261	\$637	\$700	\$23,598
	Business	\$21,462	\$22,506	\$ -0-	\$700	\$23,206
	Veterinary Medicine	\$20,131	\$21,076	\$ -0-	\$700	\$21,776
	Medicine	\$21,176	\$22,195	\$ -0-	\$700	\$22,895
	Public Health	N/A	\$13,035	\$ -0-	N/A	\$13,035
Irvine	Business	\$21,636	\$22,680	\$646	\$700	\$24,026
	Medicine	\$20,901	\$21,920	\$ -0-	\$700	\$22,620
Los Angeles	Law	\$22,123	\$23,160	\$718	\$700	\$24,578
	Business	\$23,516	\$24,560	\$776	\$700	\$26,036
	Dentistry	\$22,290	\$23,295	\$706	\$700	\$24,701
	Medicine	\$19,784	\$20,803	\$ -0-	\$700	\$21,503
	Nursing	\$9,599	\$10,315	\$136	\$700	\$11,151
	Theater, Film & TV	\$12,459	\$13,261	\$ -0-	\$700	\$13,961
	Public Health	N/A	\$12,107	\$ -0-	N/A	\$12,107
	Public Policy	N/A	\$12,107	\$ -0-	N/A	\$12,107
Riverside	Business	\$21,201	\$22,245	\$ -0-	\$700	\$22,945
	Medicine	\$20,451	\$21,470	\$ -0-	\$700	\$22,170
San Diego	Business	N/A	\$21,966	\$ -0-	\$700	\$22,666
	Medicine	\$20,172	\$21,191	\$ -0-	\$700	\$21,891
	Pharmacy	\$17,151	\$18,039	\$500	\$700	\$19,239
	International Relations & Pacific Studies	N/A	\$12,495	\$ -0-	N/A	\$12,495
San Francisco	Dentistry	\$21,778	\$22,783	\$706	\$700	\$24,189
	Medicine	\$20,471	\$21,490	\$ -0-	\$700	\$22,190
	Pharmacy	\$17,456	\$18,344	\$500	\$700	\$19,544
	Nursing	\$10,268	\$10,984	\$136	\$700	\$11,820