

COMMITTEE ON FINANCE  
November 16, 2005

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

A. ***Approval of University of California 2006-07 Budgets for Current Operations and for State Capital Improvements and Approval of Student Fee Increases for Undergraduate, Graduate Academic, Professional, and Nonresident Students for 2006-07***

The Committee recommends that the budget be approved, provided, however, that student fees as proposed will be reduced or rescinded prior to implementation if the Governor and the Legislature provide the funding to reduce or eliminate the fee increases and the remaining portions of the Compact with the Governor remain in place.

- (1) The Committee on Finance recommends that the expenditure plan included in the document *2006-07 Budget for Current Operations* be approved.
- (2) The Committee on Finance reports its concurrence with the recommendation of the Committee on Grounds and Buildings that the 2006-2007 Budget for State Capital Improvements be approved.
- (3) The Committee recommends that student fees be increased for 2006-07 as follows:
  - (a) Effective Summer 2006, mandatory systemwide fees (Educational Fee and Registration Fee) be increased as shown in **Attachment A**. These increases are consistent with the Compact with the Governor, which provides that undergraduate fees increase by 8 percent and graduate academic student fees increase by 10 percent in 2006-07. Mandatory systemwide fees for professional school students will increase by 5 percent.

An amount equivalent to an average of 33 percent of new revenue generated from the increases in mandatory systemwide fees for undergraduate students and 45 percent of new revenue generated from the increases in mandatory systemwide fees for graduate academic students will be set aside to mitigate the impact of the fee increases on financially needy students. For mandatory systemwide student fee

increases for professional school students, a return-to-aid of 33 percent is planned.

- (b) Effective Summer 2006, existing Fees for Selected Professional School Students be increased by 5 percent for all professional programs subject to the fee, except that increases in these fees for students in the business and law programs at the Berkeley and Los Angeles campuses and the law program at the Davis campus would be increased by 10 percent.

[Attachment B](#) shows the increases planned for 2006-07 by program. An amount equivalent to 33 percent of new revenue generated from the fee increases will be set aside to mitigate the impact of the fee increases on professional school students.

- (c) Effective Summer 2006, the Nonresident Tuition Fee be increased by 5 percent, or \$864, for nonresident undergraduate students only, from \$17,304 to \$18,168. It is recommended that the Nonresident Tuition Fee for graduate academic students and for students paying the Fee for Selected Professional School Students remain at their current annual levels of \$14,694 and \$12,245 respectively for 2006-07.
- (d) Effective Summer 2006, the Nonresident Tuition Fee be waived for not more than three years for graduate academic students who are advanced to candidacy.

**B. *Policies on Universitywide and Senior Leadership Compensation, and Procedures for Senior Leadership Compensation***

The Committee recommends the following from the September 2005 meeting:

- A. To adopt the goals of obtaining, prioritizing, and directing funds, to the extent they are available, to increase salaries to achieve market comparability for all groups of employees over the ten year period from 2006-2007 through 2015-2016, as described in [Attachment 1](#).
- B. To adopt procedures for determining and setting compensation levels for senior leadership that are clear, comprehensive, and accountable, as described in [Attachment 2](#).