

## STUDENT TUITION AND FEES

Despite efficiencies achieved by UC in the delivery of education and research, in recent years student tuition and fees have increased significantly in order to maintain quality in the face of inadequate State support.

Student tuition and fees provided \$2.5 billion for the University's basic operations and student financial aid during 2010-11. In 2011-12, revenue from tuition and fees exceeds State support for the first time in UC history and students are now paying 49% of the cost of education.

No increases in tuition and fees are being proposed at the November meeting of the Regents. As mentioned earlier, the University is exploring alternative revenue sources and it is expected that a revenue proposal will be presented to the Regents at the March 2012 meeting.

### **Mandatory Systemwide Tuition and Fees**

Mandatory systemwide tuition and fees consist of Tuition (formerly the Educational Fee) and the Student Services Fee (formerly the Registration Fee).

Tuition provides general support for the University's operating budget, including costs related to faculty and instructional support, libraries and other academic support, student services, institutional support, operation and maintenance of plant, and student financial support. In 2011-12, Tuition is \$11,220 for all students.

The Student Services Fee funds services that are necessary to students, but not part of the University's programs of instruction, research, or public service. The majority of these funds are spent on student services, including counseling and career guidance, cultural and social activities, and student health services. Some Student Services Fee revenue is used for capital improvements that provide extracurricular benefits for students and student financial support. In 2011-12, the Student Services Fee is \$972 for all students.

### **Professional Degree Supplemental Tuition**

Professional Degree Supplemental Tuition provides UC's professional degree programs with supplemental funds to maintain quality – to recruit and retain excellent faculty, provide a top-notch curriculum, and attract high-caliber students – following significant budget cuts over the last two decades. Tuition levels vary by program and are based on an evaluation of program resources and needs, comparison institution fees, and affordability for students. In 2011-12, Professional Degree Supplemental Tuition varies by program from \$4,000 to \$35,148.

### **Nonresident Supplemental Tuition**

In addition to mandatory student tuition and fees, nonresident students pay Nonresident Supplemental Tuition in lieu of State support. Campuses use Nonresident Supplemental Tuition to support the instructional enterprise. For nonresident undergraduates, Nonresident Supplemental Tuition is \$22,878 during 2011-12. The supplemental charges for nonresident graduate academic and graduate professional students are \$15,102 and \$12,245, respectively.

### **Total Charges and Comparison Institutions**

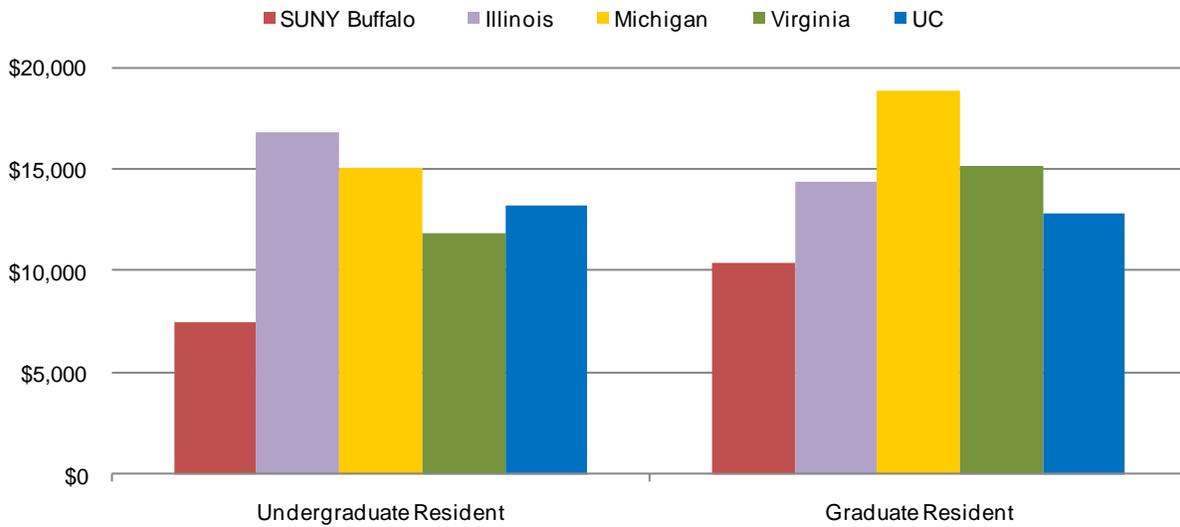
In addition to the charges described above, students also pay campus-based fees. Display 15 shows total charges for undergraduate and graduate academic students by residency status for 2011-12.

Despite recent fee increases, UC's in-state fees remain competitive with public comparison institutions for resident undergraduates and graduate academic students. During 2011-12, average fees for resident undergraduates remain below two of the University's four public comparison institutions, and average fees for resident graduate students remain below three of the four comparison institutions, as shown in Display 16.

Display 15: 2011-12 Total Charges by Student Level and Residency Status

	<u>Undergraduate Students</u>		<u>Graduate Academic Students</u>	
	<u>Resident</u>	<u>Nonresident</u>	<u>Resident</u>	<u>Nonresident</u>
Tuition	\$11,220	\$11,220	\$11,220	\$11,220
Student Services Fee	\$972	\$972	\$972	\$972
Subtotal, Mandatory Systemwide Charges	\$12,192	\$12,192	\$12,192	\$12,192
Nonresident Supplemental Tuition		\$22,878		\$15,102
Average Campus-based Fees	<u>\$989</u>	<u>\$989</u>	<u>\$606</u>	<u>\$606</u>
Average Total Charges	\$13,181	\$36,059	\$12,798	\$27,900

Display 16: 2011-12 UC and Comparison Institution Tuition and Fees for In-State Students



In 2011-12, the University's average tuition and fees for California resident students remain below two of four public comparators for undergraduates and three of four comparators for graduate academic students.

Note: Comparison institution figures include tuition and required fees as reported on campus websites. UC figures include mandatory systemwide tuition and fees, campus-based fees, and Nonresident Supplemental Tuition for nonresident students. Waivable health insurance fees are not included.

## STUDENT FINANCIAL AID

Student financial aid from federal, State, UC, and private sources has helped UC maintain access and affordability at the undergraduate level while also attracting graduate students with exceptional potential.

The University's student financial aid programs, guided by policy adopted by the Regents in 1994, are closely linked to the University's goals of student accessibility and meeting the state's workforce needs. To mitigate the impact of tuition and fee increases, as well as increases in other educational expenses, the University has continued to use a portion of the new revenue derived from tuition and fee increases to support financial aid. Other sources of funds, including State funding for Cal Grants and federal and private funds, have helped UC meet its financial aid goals.

### Undergraduate Aid

At the undergraduate level, the goal is to ensure that UC remains financially accessible to all academically eligible students so that financial considerations are not an obstacle to student decisions to enroll at UC. During 2009-10, 58% of UC undergraduates received grant or scholarship aid, averaging \$12,753 per student. UC has become nationally recognized as a leader in enrolling an economically diverse pool of undergraduate students.

Despite tuition and fee increases, the University has remained accessible to undergraduate students from all income groups. Enrollments of low-income Pell Grant recipients at other research institutions range from below 10% to nearly 20%. About 35% of UC undergraduates were Pell Grant recipients during 2009-10, more than at any other comparably selective research institution.

For many years, the enrollment of students from middle-income families also has remained relatively stable, at about 43% between 2000-01 and 2006-07, despite fee increases in most of those years. Since then the percentage has declined slightly, to 39% in 2009-10, which may reflect a statewide decline in middle-income families attributable to the economic recession. The University is closely monitoring this trend, together with income trends among California families generally.

Financial aid also contributes greatly to the University's undergraduate ethnic diversity. African-American, Chicano/Latino, and Asian American students are disproportionately low-income. Collectively, these students receive 72% of all undergraduate gift assistance. For all of these reasons, maintaining a robust financial aid program remains a top University budget priority.

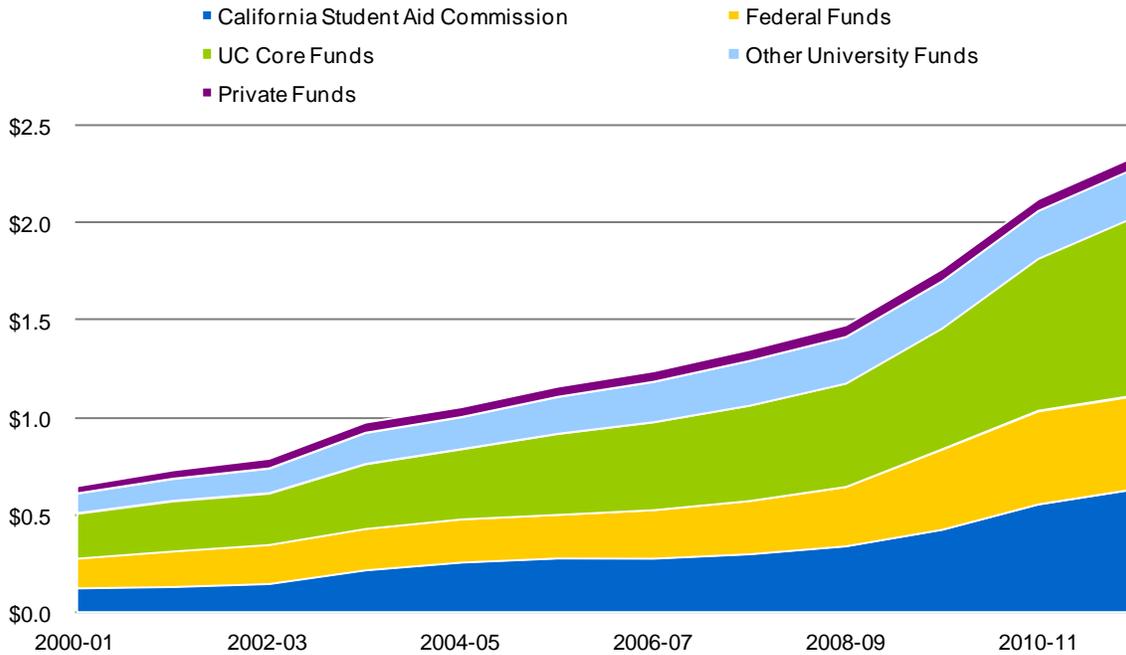
In recent years, several significant factors have helped UC maintain affordability for undergraduates:

- increases in the maximum federal Pell Grant;
- full funding of the State's Cal Grant program;
- continuation of UC's 33% return-to-aid policy;
- development and expansion of the Blue and Gold Opportunity Plan, which in 2011-12 ensures that all eligible students with household incomes below \$80,000 receive gift aid covering systemwide tuition and fees up to their need level;
- expansion of middle-income fee grants, covering one-half of tuition and fee increases for needy middle-income students, to students from families earning up to \$120,000; and
- temporary expansion of federal education tax credits.

As a result of these and other ongoing programs, financial support generally has covered systemwide fee increases for Cal Grant and UC Grant recipients in recent years and is providing some coverage of other cost increases as well.

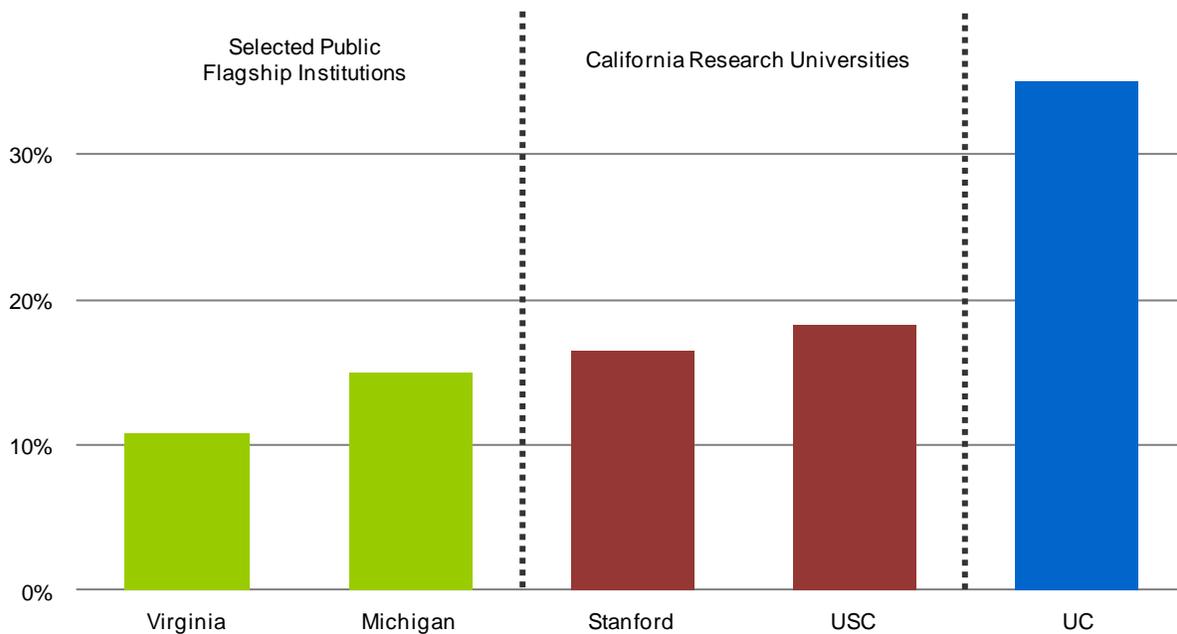
In 2012-13, the University proposes to set aside the equivalent of 33% of new undergraduate fee revenue for financial aid. In addition, the University will continue to ensure that tuition and fee increases do not deter talented, low-income students from aspiring to attend UC by fully funding the Blue and Gold Opportunity Plan, which provides full coverage of mandatory systemwide tuition and fees for eligible resident undergraduates with family incomes up to \$80,000 (up to a student's need) and provide assistance to financially needy middle-income families.

Display 17: Total Gift Aid by Source (Dollars in Billions)



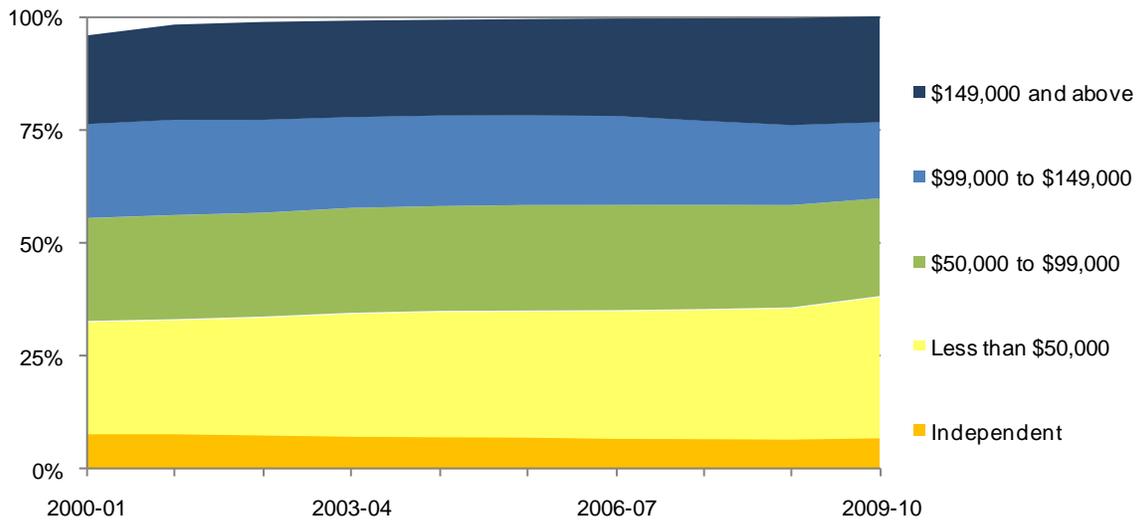
To offset tuition and fee increases and maintain the promise of higher education for all Californians, both the University and the State have invested heavily in student financial support. During 2011-12, total gift aid is projected to reach nearly \$2.35 billion, nearly half of which is generated from UC sources.

Display 18: 2009-10 Undergraduate Pell Grant Recipients



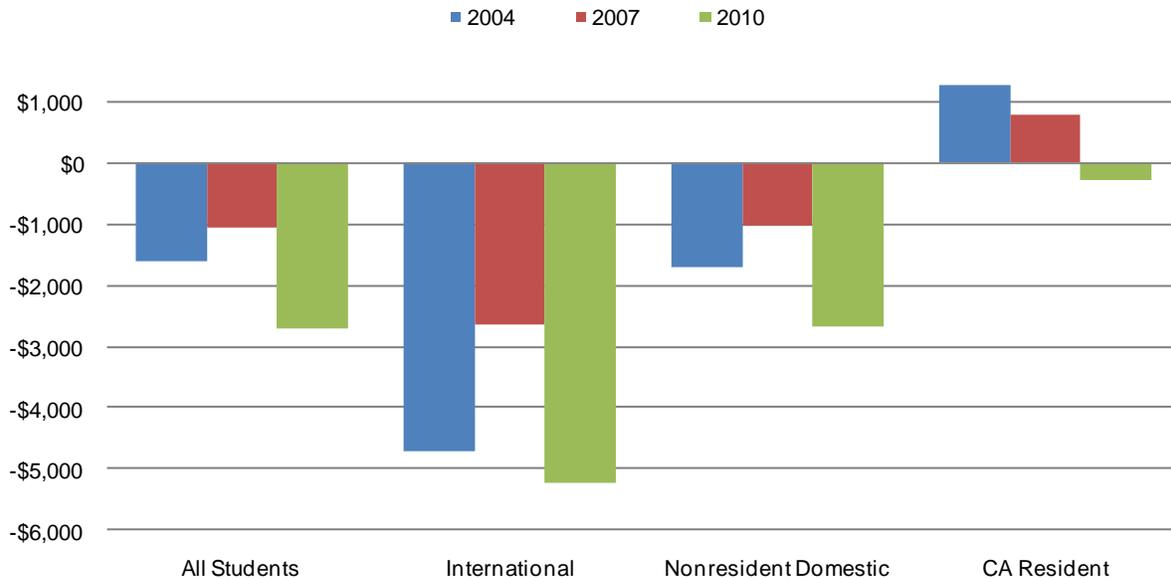
UC remains accessible for students from low-income families. UC has a very high proportion of federal Pell Grant recipients – 35% during 2009-10, which was more than at any comparable public or private institution.

Display 19: Undergraduate Enrollment by Family Income (2009-10 Dollars)



The percentage of middle-income students enrolled at the University remained relatively stable, at around 43% between 2000-01 and 2006-07, despite tuition and fee increases in most of those years. Since then the percentage has declined slightly, to 39% in 2009-10, which may reflect a decline in middle-income families statewide attributable to the economic recession.

Display 20: Competitiveness of UC Financial Support Offers to Academic Doctoral Students



For academic doctoral students, UC narrowed the gap between its financial support offers and those of competing institutions between 2004 and 2007, but lost ground between 2007 and 2010.

## Graduate Aid

At the graduate level, the Regents' financial aid policy calls upon the University to attract a diverse pool of highly qualified students by providing a competitive level of support relative to the cost of other institutions. This competitive context reflects the fact that graduate student enrollment is tied most directly to the University's research mission and helps the state meet its academic and professional workforce needs. Graduate awards must be sized not only to make the University accessible, but also to be competitive with awards prospective students receive from other institutions.

Graduate academic students received support from fellowships, grants, and assistantships averaging about \$29,000 per student during 2009-10. However, in recent years, the financial aid packages awarded by UC fell short of the packages offered by competing institutions. While

UC narrowed the gap between its offers and those of competing institutions by more than \$500 between 2004 and 2007, findings from 2010 suggest UC is once again losing ground to its competitors. To help mitigate this problem, UC returns 50% of any new graduate academic tuition and fee revenue to students in the form of financial aid.

For graduate professional students, UC ensures that an amount equivalent to 33% of tuition and fee increases is returned to students as financial aid. Even so, about two-thirds of aid awarded to graduate professional students is in the form of loans, primarily from federal loan programs. The University provides loan repayment assistance programs in certain disciplines, and since 2009-10, students may avail themselves of an Income-Based Repayment plan for federal student loans.