



2004-05 Student Fees

Under Governor Schwarzenegger's original 2004-05 budget proposal, the University of California would sustain \$372.2 million in budget cuts, with student fees increasing to help close the gap. The May Revision to the governor's budget restored \$20.2 million in technical corrections. However, because the State of California is still grappling with a major budget gap for 2004-05, most of the governor's proposals for budget cuts at UC remain in place. They include cuts to enrollments, administration, research, and many other programs.

The revised budget continues to propose student fee increases for 2004-05, though they have been modified from the governor's original proposal to reflect a new "compact" agreement that outlines state funding levels for UC over the next several years. Under the compact, undergraduate fee increases would average 10 percent over the next three years (14 percent in 2004-05; 8 percent in 2005-06 and 2006-07). Graduate fees would increase 20 percent in 2004-05, rather than the 40 percent originally proposed, and increase another 10 percent in both 2005-06 and 2006-07. The compact is intended to stabilize state support for the University over the next several years and create predictability around fee levels for students and their parents.

Student Fee Levels

The Regents approved the following 2004-05 student fee levels at their May 2004 meeting:

- **Undergraduate fees:** Mandatory systemwide student fees were increased 14 percent above the previous fee level. For resident undergraduates, the additional 14 percent raises fees \$700, bringing mandatory systemwide fees for resident undergraduates to \$5,684. Campuses also charge additional miscellaneous fees, which bring the total average fees to \$6,230.
- **Graduate fees:** Resident graduate academic student fees were increased 20 percent or \$1,050 per year in 2004-05, bringing mandatory systemwide fees for such students to \$6,269. The average total fees (including miscellaneous campus fees) stand at \$7,893.
- **Nonresident tuition and fees:** In addition to mandatory systemwide fees, out-of-state students must pay nonresident tuition. Tuition levels were increased by 20 percent or \$2,746 for undergraduates and \$2,449 for graduate students in 2004-05. Out-of-state students also pay regular student fees, which increased for 2004-05, bringing total average nonresident tuition and fees at UC to \$23,186 for undergraduates and \$22,832 for graduate students.
- **Professional school fees:** The governor has proposed that state support for professional schools be reduced an average of 25 percent and that student fees fill the gap with \$42.2 million in revenue. The University estimated that in order to meet the revenue target, fees at each school would have to increase \$5,000. However, UC was asked to exempt Nursing from these increases and implement a smaller than average increase for Medicine. Furthermore, it was felt that some of the professional schools would be unable to attract highly qualified students with such high increases.

UC consulted with campuses and professional schools on the best way to structure the increases required by the governor's budget, and fees for professional school students were increased by about 30 percent for each degree program, with Nursing students exempted. In addition, professional students will be exempt from nonresident tuition increases since fees are already proposed to go up substantially. These measures will generate \$37 million in income, \$5 million short of the revenue required in the governor's budget, which the University will cover with cuts in other areas. At the May meeting, the Regents also delegated authority to the president to raise total fees for professional school students by an additional amount not to exceed 10 percent if needed to provide sufficient financial aid and preserve academic quality.

	Fee Increase	2004-05 Fee Levels	Total 2004-05 Estimated Fees, including mandatory systemwide fees
Law (JD/LLM)	\$ 3,800	\$ 13,649	\$ 20,633
Business (MBA)	4,500	13,860	21,069
Medicine (MD)	4,500	13,049	20,157
Veterinary Medicine (DVM)	4,000	10,565	19,837
Dentistry (DDS)	4,500	12,560	20,194
Pharmacy (PharmD)	3,800	8,675	15,841
Optometry (OD)	3,800	8,675	15,089
Nursing (MS/MN)	-0-	2,925	9,894
Theater, Film & TV (MFA) at UCLA only	2,600	5,785	12,348

Some Comparisons

- Even with the 14 percent increase, fees for resident undergraduates are still almost \$1,200 below the projected average charged at other public universities (Illinois, Michigan, SUNY and Virginia) that UC uses for fee comparison purposes. Total fees for resident undergraduates at UC stand at \$6,230, while fees at the group of comparable public universities average \$7,423 for 2004-05.
- UC graduate student fees also compare favorably to other public institutions. With the proposed 20 percent increase, fees for resident graduate students stand at \$7,893, almost \$2,000 below the projected average charged at the group of comparable public universities mentioned above, which average \$9,864 in 2004-05.
- Total student cost of attendance for resident undergraduates, driven mostly by high cost of living in the areas around UC campuses, stands at \$17,814 in 2003-04, above the average of other comparable public universities (Illinois, Michigan, SUNY and Virginia). Student fees represent 31 percent of the UC total cost, with the rest coming from other expenses such as room and board, mandatory books and supplies, etc.

However, when financial aid is taken into account, UC’s net cost of attendance for needy students falls to \$10,164, below the average of the comparable public universities, which stands at \$10,471. The 2004-05 average cost of attendance at UC is estimated to total \$19,375. It is anticipated that, in terms of net cost to needy students, UC will continue to be slightly below the average of the comparable public universities.

Financial Aid

- The governor’s budget proposes sufficient funding for the State’s Cal Grant program to cover the 14 percent fee increase for undergraduates, offsetting the increase for about 32,000 UC Cal Grant recipients. In addition, the University is using a portion of the revenue from the 2004-05 fee increase for grant aid to further mitigate the impact of the cost increases on the most financially needy students.