

UC SANTA BARBARA

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UC Office of the President

UC Regents to Consider New Long-Term Stability Plan for Tuition and Financial Aid

The University of California Board of Regents announced Nov. 6 that it will consider a new five-year plan for low, predictable tuition that will provide funding to increase access for California students, maintain the university's robust financial aid program and invest in educational quality.

The regents will consider the plan, the first of its kind at the university, at their Nov. 19 meeting at UC San Francisco.

"Students and the university itself must have the ability to plan and budget for the long term," said Board of Regents Chairman Bruce Varner. "I look forward to discussing the new plan. As fiduciaries of the university, we must bring fairness and common sense to the tuition-setting process, ensure the continued viability of our financial aid program and make sure UC's academic quality remains excellent."

Shortly after she became UC president last year, Janet Napolitano proposed a tuition freeze for 2014-15 — the third consecutive year of no increases — to allow the university time to develop a long-term plan to keep student fees as affordable as possible and end sudden spikes in tuition levels in response to reduced state support. “We need to figure out, in the real world in which we live, how to bring clarity to, and reduce volatility in, the tuition-setting process,” she told the Board of Regents in November 2013.

The new long-term stability plan for tuition and financial aid proposes that tuition will not increase more than 5 percent annually for five years. For 2015-16, that would mean an increase of \$612. Tuition may increase by less than 5 percent — or not at all — depending on the level of state support.

Adoption of the new model will ensure that the university can maintain its current financial aid program under which about half of all UC undergraduates have their tuition and fees fully covered. Together with the state’s continued support of the Cal Grant programs, UC will help the neediest students cover other costs such as housing, books and supplies. In addition, the new Middle Class Scholarship Program is expected to cover up to 40 percent of UC’s mandatory systemwide charges for eligible students.

If approved by the Board of Regents, the proposed stability plan will:

- Enable the university to enroll at least 5,000 more California students over five years
- Maintain the university’s robust financial aid program
- Reduce the student-faculty ratio

- Increase course selection
- Lessen the time to graduation

Fees paid by out-of-state and international undergraduates, who currently pay the \$12,192 in-state tuition plus a nonresident supplement of \$22,878, would also increase by the same percentage. Campuses use nonresident supplemental tuition to fund the education of all students, including costs for the more than 7,000 California undergraduates for whom the state currently provides no funding.

UC will continue to hold down administrative costs; nearly all new tuition dollars will go toward educating students.

The proposed plan assumes the state will continue to increase its educational support to UC by 4 percent next year, as previously announced. Because any such increase would apply solely to the state's portion of UC's academic budget, that equates to only a 1.7 percent rise in funds to educate students. This amount is below the rate of inflation and far less than what is needed to meet the needs of students and the university.

"We have frozen tuition for three years, continued to maximize operational efficiencies, reduced staff, stepped up our fundraising and deferred critical maintenance," Napolitano said. "We hope the state will partner with us by increasing its investment in UC. But we can't wait any longer. We cannot cut or defer our way to excellence."

In its 2014 report, "California's Future: Higher Education," the non-partisan Public

Policy Institute of California warned of the immediate and long-term dangers of the “disproportionate” cuts in state funding to UC over the past decade. Per student state funding to the university, for example, has fallen by about 25 percent during that time.

“The California economy is growing again and the need for an educated state workforce has never been greater,” Napolitano said. “We must, as a state, expand capacity for Californians at our public university system and ensure that we maintain our excellence in academics, research and public service. For this we need financial stability. Students, their families, and the university itself need to plan for the future.”

The UC Board of Regents will consider the budget proposal at its Nov. 19 meeting at UC San Francisco’s Mission Bay campus.

More information: <http://budget.universityofcalifornia.edu/>

About UC Santa Barbara

The University of California, Santa Barbara is a leading research institution that also provides a comprehensive liberal arts learning experience. Our academic community of faculty, students, and staff is characterized by a culture of interdisciplinary collaboration that is responsive to the needs of our multicultural and global society. All of this takes place within a living and learning environment like no other, as we draw inspiration from the beauty and resources of our extraordinary location at the edge of the Pacific Ocean.