UNIVERSITY OF CALIFORNIA STUDENTS AND PARENTS

Dear Friends:

I am writing to bring you up to date on the University of California’s budget situation and the resulting student fee levels that will become effective in 2005-06. As you may know, the past few years have proven to be fiscally challenging for the State of California, producing major cutbacks for institutions and programs reliant upon State funding—and the University of California has been no exception.

Last spring, in an effort to provide a more stable funding base for public higher education, the University and Governor Schwarzenegger entered into an agreement establishing a framework for State funding levels and institutional accountability over the next several years. The agreement extends through the 2010-11 fiscal year and lays a foundation for the University’s recovery from the recent deep cuts in State funding. The agreement recognizes that an increased contribution from the State, our students, and their families will be necessary to recover the losses of the last few years and to preserve the quality of our educational programs. But the agreement also sets out a plan for more moderate and predictable student fee increases than has been the case in recent years.

When we enroll students at the University of California, we commit to providing them with an education of the highest quality. The funding strains of the last several years clearly have challenged us in continuing to meet this commitment. The University’s State-funded budget has declined 15 percent over the last four years while enrollments have grown 19 percent. Looked at another way, while the State contributed approximately $15,000 to the cost of educating each UC general-campus student in 1985, that figure is now approximately $9,000 (in 2004-05 constant dollars).

Recognizing these fiscal pressures, and acting in conformance with our long-term agreement with the governor, The Regents have approved student fee increases for the 2005-06 academic year. I want to be certain you are aware of these increases, and our current estimate of fees for the coming year, so you have maximum ability to plan your finances for the upcoming year. The increases include:

**Undergraduate students**

Mandatory systemwide student fees for resident undergraduates will increase 8 percent ($457) above the current fee level, bringing the annual total to $6,141. With the additional miscellaneous fees charged by individual campuses, the total average fees are estimated to be $6,769.
**Graduate students**

Mandatory systemwide fees for resident graduate academic student fees will increase 10 percent, or $628, per year in 2005-06, bringing the fees for these students to $6,897. The average total fees, including miscellaneous campus fees, are estimated to be $8,556.

**Professional students**

Mandatory systemwide fees for professional students will increase by $628, bringing these fees to $6,092. In addition, professional students also must pay professional fees and miscellaneous campus fees and, as appropriate, nonresident tuition. Professional school fees will increase by 3 percent to cover cost increases in programs funded from professional school fee revenue. A new professional fee of $4,000 will also be implemented for students enrolled in Public Health and Public Policy, as well as students enrolled in the UC San Diego International Relations and Pacific Studies program. Additional fees may be levied at certain professional schools in 2005-06, by approval of The Regents, in order to maintain the quality of the educational program and to pre-serve sufficient student financial aid--both of which have been challenged by the budget cuts of the last several years. In addition, professional school fee levels in 2005-06 are subject to change based on the outcome of continuing litigation over previous increases in these fees. Additional information will be provided if and when any further increases are approved.

**Nonresident tuition**

In addition to mandatory systemwide fees, out-of-state students must pay nonresident tuition. Nonresident tuition will increase for undergraduate students by 5 percent in 2005-06, from $16,476 to $17,304. Nonresident tuition will remain unchanged at $14,694 for graduate academic students and $12,245 for professional students. Taken together with mandatory systemwide fees and campus fees, total nonresident student charges in 2005-06 are estimated to average $24,589 for undergraduate students and $23,517 for graduate academic students.

Financial aid grants will continue to be available to help cover eligible students' educational expenses. For 2005-06, Cal Grant awards are expected to increase to cover the higher fees at the University. In addition, the University will use 25 percent of the new fee revenue from the undergraduate fee increases to augment its own undergraduate need-based aid programs and 50 percent of the new fee revenue from graduate academic students to help maintain graduate student awards.

Raising student fees is never an easy task, and I know that a fee increase is just one of many pressures on family budgets today. It is, unfortunately, necessary in our effort to preserve the quality of education our students receive at the University of California. I appreciate your understanding, and I pledge to continue working to preserve the excellence of UC’s programs and to secure strong State investment in them.

Sincerely,

Robert C. Dynes

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