



OFFICE OF THE PRESIDENT

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University of California Students and Parents

Dear Friends:

I am writing to provide an update on 2008-09 student fees and to share with you important financial aid information that I hope will help as you and your family plan your finances for the coming academic year.

As you may know, the Governor's 2008-09 proposed State budget includes deep cuts to the University of California to address a projected \$16 billion State budget deficit. As a result, UC faces a \$417 million gap between what is proposed in the Governor's budget and the amount requested by the Board of Regents for the University's operations.

The University is doing all it can to advocate in Sacramento against cuts of this magnitude, but given the gravity of the budget crisis, it is likely that the Board of Regents at its May meeting will consider raising student fees as one part of the University's response.

The Governor's January budget assumed the University would enact a 7.4 percent increase in mandatory systemwide fees, composed of a 7 percent increase in the Educational Fee and a 10 percent increase in the Registration Fee. A final decision by The Regents on fee levels will, however, be contingent upon their evaluation of the State budget situation as it continues to evolve; the Governor will issue an important update of State revenues and revision to proposed State expenditures in mid-May. Though we will not have final information about student fees for some time yet, I wanted you to be aware of the general situation we face.

For professional schools students, in addition to the possible increase in mandatory systemwide fees, increases in the professional degree fee already approved by The Regents in September 2007 will take effect in summer 2008.

I assure you that we never take lightly the decision to raise student fees. As you may know, the administration and The Regents are looking very seriously at a range of options--including administrative cuts such as the restructuring of the UC Office of the President that are expected to generate more than \$30 million in savings--to cover the budget gap. But neither reductions to programs nor administrative savings will be sufficient to cover cuts of the magnitude the Governor has proposed.

In addition, fees are needed to support critical programs. The proposed 10 percent increase in the Registration Fee, for instance, specifically will help the University meet one of its highest priorities, increasing funding of student mental health services by \$8 million in 2008-09. UC student organizations have affirmed their commitment to this issue.

I know these possible fee increases come at a time when many of you are grappling with growing pressures on your family budgets. At the same time, however, when we enroll students at the University of California, we commit to providing them with an education of the highest quality. The Regents and I believe that these possible increases would be necessary to sustain the outstanding teaching and research programs our students expect and to ensure that all students continue to have access to the classes they need to graduate on time.

Keep in mind, too, that financial aid would increase along with any possible fee increases. For undergraduates, the Governor has proposed sufficient additional funding in Cal Grant awards to offset any mandatory systemwide fee increase for UC Cal Grant recipients. In addition, as it has done in the past, the University would dedicate 33 percent of new fee revenue generated by undergraduate students to provide additional financial aid for needy undergraduates. **With the combination of additional Cal Grant and UC funding, the University would generally be able to provide grants to cover 100 percent of the fee increase for on-time financial aid applicants whose families earn less than \$60,000 a year.** Other financially needy undergraduates from families with incomes up to \$100,000 would receive a UC grant covering half of the fee increase. For graduate students, at least 45 percent of new fee revenue generated by those students would be earmarked to help offset the impact of higher fees. Finally, the University would dedicate 33 percent of new fee revenue associated with professional degree students for financial aid to those students.

Fee increases are never welcome. Given the ongoing fiscal challenges for the State of California, our planning framework with the Governor over the last several years has sought, at the very least, to make these increases moderate and more predictable than in the past, so our families are better equipped to plan.

Thank you for your understanding and for your support of our efforts to protect the quality of the educational experience for UC students.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Dynes". The signature is fluid and cursive, with a prominent initial "R".

Robert C. Dynes

cc: Chancellors