

COMMITTEE ON FINANCE

November 19, 2009

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

1. **APPROVAL OF THE 2009-10 MID-YEAR AND 2010-11 STUDENT FEE INCREASES AND EXPANSION OF THE BLUE AND GOLD OPPORTUNITY PLAN**

The Committee recommends the following actions on student fees for mid-year 2009-10 and for 2010-11:

- A. Effective winter quarter/spring semester 2010, approve the mandatory systemwide fees shown in Display 1. Of the revenue generated from the increases in mandatory systemwide fees from undergraduates, an amount equivalent to 33 percent will be set aside to mitigate the impact of the fee increases on financially needy undergraduate students. Of the revenue generated from the increases from graduate academic students, 50 percent will be set aside to provide additional funds for student financial support; and 33 percent of the revenue generated from the increases from students subjected to professional fees will be set aside for financial aid.
- B. For 2010-11, effective summer 2010, approve the mandatory systemwide fees shown in Display 2. Of the revenue generated from the increases in mandatory systemwide fees from undergraduates, an amount equivalent to 33 percent will be set aside to mitigate the impact of the fee increases on financially needy undergraduate students. Of the revenue generated from the increases from graduate academic students, 50 percent will be set aside to provide additional funds for student financial support; and 33 percent of the revenue generated from the increases from students subjected to professional fees will be set aside for financial aid.
- C. Effective fall 2010, approve expansion of the Blue and Gold Opportunity Plan to provide that financially needy California undergraduates with total family income under \$70,000 and enrolled in their first four years (two years for transfer students) will have systemwide fees covered, up to the students' need, by scholarship or grant awards.

DISPLAY 1: Proposed 2009-10 Mid-Year Increases

	Current 2009-10 Fee Levels		Proposed Increase ¹		Proposed 2009-10 Fee Levels	
	Educational Fee ²	Registration Fee	\$	%	Educational Fee ²	Registration Fee
Mandatory Systemwide Fees						
Undergraduate						
Resident	\$6,888	\$900	\$585	15.0%	\$7,473	\$900
Nonresident	\$7,536	\$900	\$633	15.0%	\$8,169	\$900
Graduate Academic						
Resident	\$7,836	\$900	\$111	2.6%	\$7,947	\$900
Nonresident	\$8,178	\$900	\$117	2.6%	\$8,295	\$900
Graduate Professional³						
Group 1						
Resident/Nonresident	\$6,822	\$900	\$579	15.0%	\$7,401	\$900
Group 2						
Resident	\$7,836	\$900	\$654	15.0%	\$8,490	\$900
Nonresident	\$8,178	\$900	\$681	15.0%	\$8,859	\$900

¹ Dollar amount represents the actual increase in fees students would experience during 2009-10. Percentage amount represents the annualized percentage increase in the fee level.

² Includes \$60 surcharge to cover costs associated with the injunction and judgment of the *Kashmiri* lawsuit.

³ Professional students in these programs also pay a Professional Degree Fee that varies by campus and program. In 2009-10, these fees range from \$4,000 to \$25,675. Proposed fee increases for 2010-11 range from \$280 to \$5,696 and are presented in the November 2009 Regents' item *Approval of 2010-11 Professional Degree Fee Increases*. Different Educational Fee rates for professional degree students exist due to differences in the point in time at which programs began charging the Professional Degree Fees. For 2011-12, the Office of the President will work with the campuses to develop a strategy to adjust Educational Fee and Professional Degree Fee levels so that Educational Fee levels are consistent for all students also charged Professional Degree Fees. Implementation of such a strategy will be completed in a way that is cost-neutral for both the University and individual students.

- Group 1 includes students in Business; Dentistry; Law; Medicine; Nursing; Optometry; Pharmacy; Theater, Film and Television; and Veterinary Medicine professional degree programs.
- Group 2 includes students in International Relations and Pacific Studies, Preventive Veterinary Medicine, Public Health, and Public Policy professional degree programs.

DISPLAY 2: Proposed 2010-11 Increases

	2009-10 Fee Levels ¹		Proposed Increase		Proposed 2010-11 Fee Levels	
	Educational Fee ²	Registration Fee	\$	%	Educational Fee ²	Registration Fee
Mandatory Systemwide Fees						
Undergraduate						
Resident	\$8,058	\$900	\$1,344	15.0%	\$9,402	\$900
Nonresident	\$8,802	\$900	\$1,458	15.0%	\$10,260	\$900
Graduate Academic						
Resident	\$8,058	\$900	\$1,344	15.0%	\$9,402	\$900
Nonresident	\$8,412	\$900	\$1,398	15.0%	\$9,810	\$900
Graduate Professional ³						
Group 1						
Resident/Nonresident	\$7,980	\$900	\$1,332	15.0%	\$9,312	\$900
Group 2						
Resident	\$9,144	\$900	\$1,506	15.0%	\$10,650	\$900
Nonresident	\$9,540	\$900	\$1,566	15.0%	\$11,106	\$900
Group 3						
Resident	\$8,058	\$900	\$1,344	15.0%	\$9,402	\$900
Nonresident	\$8,412	\$900	\$1,398	15.0%	\$9,810	\$900

¹ 2009-10 fee levels assume approval of mid-year fee increases and represent the annualized fee amount.

² Includes \$60 surcharge to cover costs associated with the injunction and judgment of the *Kashmiri* lawsuit.

³ Professional students in these programs also pay a Professional Degree Fee that varies by campus and program. In 2009-10, these fees range from \$4,000 to \$25,675. Proposed fee increases for 2010-11 range from \$280 to \$5,696 and are presented in the November 2009 Regents' item *Approval of 2010-11 Professional Degree Fee Increases*. Different Educational Fee rates for professional degree students exist due to differences in the point in time at which programs began charging the Professional Degree Fees. For 2011-12, the Office of the President will work with the campuses to develop a strategy to adjust Educational Fee and Professional Degree Fee levels so that Educational Fee levels are consistent for all students also charged Professional Degree Fees. Implementation of such a strategy will be completed in a way that is cost-neutral for both the University and individual students.

- Group 1 includes students in Business; Dentistry; Law; Medicine; Nursing; Optometry; Pharmacy; Theater, Film and Television; and Veterinary Medicine professional degree programs.
- Group 2 includes students in International Relations and Pacific Studies, Preventive Veterinary Medicine, Public Health, and Public Policy professional degree programs.
- Group 3 includes students in Architecture, Environmental Design, Information Management, Physical Therapy, Social Welfare, and Urban Planning professional degree programs.

Displays 1 and 2 above reflect increases in mandatory systemwide fees only.

2. APPROVAL OF 2010-11 PROFESSIONAL SCHOOL DEGREE FEES

The Committee recommends that the Regents:

- A. Approve the proposed professional degree fees for 2010-11 for the 20 programs, shown in Display 1, that are compliant with the Regents' *Policy on Fees for Selected Professional School Students*. Included is Nursing at Davis, which proposes charging a professional degree fee for the first time in 2010-11.
- B. Approve as an exception to the Regents' *Policy on Fees for Selected Professional School Students* professional degree fees for 2010-11 for the 24 programs, shown in Display 2, that are not expected to be compliant with the Regents' Policy as

their in-State fees are expected to exceed the average of estimated 2010-11 fees at their public comparison institutions. Included are Architecture at Los Angeles, Environmental Design at Berkeley, Information Management at Berkeley, Social Welfare at Berkeley and Los Angeles, and Urban Planning at Los Angeles, which propose charging professional degree fees for the first time in 2010-11.

- C. Approve eliminating the separate \$376 Special Fee for Law and Medical Students that was established by the Regents in 1990. Effective fall 2010, this fee will be included in the professional degree fees for Law and Medicine programs.

DISPLAY 1: 2010-11 Proposed Professional Degree Fees for Programs Fully Compliant with Regents' Policy

	Residents	Nonresidents (a)
Business		
Berkeley	\$28,820	\$24,542
Davis	\$20,332	\$20,332
Irvine	\$19,985	\$18,714
Los Angeles	\$27,447	\$23,150
San Diego	\$22,378	\$16,040
International Relations and Pacific Studies		
San Diego	\$5,248	\$5,054
Law (b)		
Berkeley	\$31,355	\$27,110
Davis	\$28,599	\$25,186
Irvine	\$27,225	\$25,003
Los Angeles	\$27,225	\$25,003
Medicine (b)		
Berkeley (Jt. MD/Ph.D.)	\$17,531	\$17,531
Los Angeles	\$17,531	\$17,531
Riverside	\$17,531	\$17,531
San Diego	\$17,531	\$17,531
Nursing		
Davis	\$4,866	\$4,866
Irvine	\$4,866	\$4,866
Los Angeles	\$4,866	\$4,866
San Francisco	\$4,459	\$4,459
Preventive Veterinary Medicine		
Davis	\$4,280	\$4,280
Public Health		
Davis	\$5,199	\$5,199

(a) Some schools have opted to set professional degree fee levels for *nonresident* students lower than those for *resident* students in the same program in acknowledgement of the \$12,245 in Nonresident Tuition that nonresident students must pay in addition to mandatory fees and professional degree fees. Total charges for nonresident students continue to be significantly above those for resident students.

(b) Fee amounts include an amount equivalent to the \$376 Special Fee for Law and Medical Students approved in 1990.

DISPLAY 2: 2010-11 Proposed Professional Degree Fees for Programs with Proposed Total In-State Fees Higher than the Average of Public Comparison Programs

	Residents	Nonresidents (a)
Architecture		
Los Angeles	\$8,000	\$8,000
Business		
Riverside	\$19,770	\$19,770
Dentistry		
Los Angeles	\$22,256	\$19,461
San Francisco	\$22,880	\$22,880
Environmental Design		
Berkeley	\$6,000	\$6,000
Information Management		
Berkeley	\$6,000	\$6,000
Medicine (b)		
Davis	\$17,531	\$17,531
Irvine	\$17,531	\$17,531
San Francisco	\$17,531	\$17,531
Optometry		
Berkeley	\$13,220	\$13,220
Pharmacy		
San Diego	\$17,155	\$17,155
San Francisco	\$17,155	\$17,155
Physical Therapy		
San Francisco	\$11,000	\$11,000
Public Health		
Berkeley	\$6,317	\$6,317
Irvine	\$5,345	\$5,345
Los Angeles	\$5,199	\$5,199
Public Policy		
Berkeley	\$5,494	\$5,494
Irvine	\$5,199	\$5,199
Los Angeles	\$5,199	\$5,199
Social Welfare		
Berkeley	\$4,000	\$4,000
Los Angeles	\$5,199	\$5,199
Theater, Film, and Television		
Los Angeles	\$7,954	\$7,954
Urban Planning		
Los Angeles	\$5,199	\$5,199
Veterinary Medicine		
Davis	\$14,664	\$14,664

(a) Some schools have opted to set professional degree fee levels for *nonresident* students lower than those for *resident* students in the same program in acknowledgement of the \$12,245 in Nonresident Tuition that nonresident students must pay in addition to mandatory fees and professional degree fees. Total charges for nonresident students continue to be significantly above those for resident students.

(b) Fee amounts include an amount equivalent to the \$376 Special Fee for Law and Medical Students approved in 1990.

3. **APPROVAL OF UNIVERSITY OF CALIFORNIA 2010-11 BUDGETS FOR CURRENT OPERATIONS AND FOR STATE CAPITAL IMPROVEMENTS**

The Committee recommends that:

- A. The expenditure plan included in the document, *2010-11 Budget for Current Operations*, be approved with two additions: \$444,275 for nursing enrollments at the Davis campus, and \$10 million for planning for a new medical school at the Riverside campus.
- B. Subject to concurrence of the Committee on Grounds and Buildings, the *2010-11 Budget for State Capital Improvements* be approved.

4. **AUTHORIZATION TO REVISE INTERNAL LIMITS AND LIQUIDITY SUPPORT OPTIONS FOR THE COMMERCIAL PAPER PROGRAM**

The Committee recommends that the Regents:

- A. Authorize the removal of limitations on the amount of the Regents' commercial paper (CP) program that is authorized for (1) the interim financing of capital projects and equipment and financing of working capital for the teaching hospitals and other working capital needs and (2) standby/interim financing for gift-related projects. The overall \$2 billion authorized amount of the Regents' commercial paper program will remain unchanged.
- B. Authorize the removal of limitations on the sources of repayment for advances for any liquidity facilities supporting the Regents' commercial paper program to allow additional security pledges to be used.

The July 2008 authorization for increase of the commercial paper program will be modified as follows with the understanding that all other actions related to the July 2008 authorization remain unchanged.

Deletions shown by strikeout, additions by underlining

- (1) That the President be authorized to increase the current CP Program from \$550 million to \$2 billion. The reauthorization of the CP Program would be issued for the following:
 - i) ~~\$1.5 billion~~ Commercial Paper (tax-exempt/taxable) authorization for interim financing related to capital projects, interim financing of equipment, financing of working capital for the University's teaching hospitals, and other University working capital needs; and
 - ii) ~~\$500 million~~ Commercial Paper (taxable) authorization for standby/interim financing for gift related projects.

The November 2008 authorization of allocation of Short-Term Investment Pool (STIP) and Total Return Investment Pool (TRIP) funds for up to 40 percent of the combined outstanding balances for liquidity support for the CP program, medical center working capital needs and the Mortgage Origination Program (MOP) will be modified as follows with the understanding that all other actions related to the November 2008 authorization and all other guidelines and parameters related to the medical center working capital and MOP remain unchanged.

Deletions shown by strikeout, additions by underlining

- (1) That the President be authorized to either utilize a portion of STIP/TRIP as liquidity support for the CP Program or if necessary negotiate a standby letter of credits, lines of credit or other liquidity agreements ~~provided that repayment of any advances shall be provided from sources identified in 1(e), 1(f), 1(g) and 1(h) to provide additional liquidity support for the CP Program.~~ Repayment of advances under any such liquidity facility shall be repaid from revenue sources identified by the President so that the general credit of The Regents is not pledged.

5. AUTHORIZATION TO SUBMIT APPLICATIONS FOR PROPOSITION 3 (CHILDREN'S HOSPITAL BOND ACT OF 2008) GRANT FUNDING AND TAKE RELATED ACTION TO RECEIVE PROPOSITION 3 FUNDING ON BEHALF OF MEDICAL CENTERS, DAVIS, IRVINE, LOS ANGELES, SAN DIEGO, AND SAN FRANCISCO CAMPUSES

The Committee recommends that:

- A. The Regents authorize the President to submit – on behalf of the UC Davis, UC Irvine, UCLA, UC San Diego, and UC San Francisco Medical Centers – Proposition 3 (Children's Hospital Bond Act of 2008) applications to the California Health Facilities Financing Authority under the Children's Hospital Program for grant funding in the amount of \$39.2 million less administration and issuance cost (the Grant) for each medical center.
- B. The Regents authorize the President or his designee, after consultation with the General Counsel, to execute grant contract documents and take such further actions, including but not limited to (a) the establishment of a mechanism for financial transactions, and (b) execution and delivery of such additional, related instruments, certificates, statements, and documents as are reasonably required to obtain the grants.
- C. Any action taken by the President or his designees, in furtherance of the matters authorized by the foregoing actions, is hereby ratified, approved, and confirmed as the act and deed of the Regents.