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UNIVERSITY OF CALIFORNIA STUDENTS AND PARENTS

Dear Friends:

As you know, California has been confronting one of the worst budget crises in its history, and the University of California is one of many State agencies to feel the effects. In our case, regrettably, one of the effects of the State fiscal crunch is an increase in 2003-04 student fees.

To help cope with the State's budget cuts while minimizing the impact on the student instructional program, bills for the fall 2003 academic term will reflect an increase in UC systemwide student fees of 30 percent above the current level. Fees for California resident undergraduates will increase by \$1,150 per year, bringing total systemwide fees to \$4,984 per year. (Individual campuses charge additional fees for specific local purposes, and those fees are not reflected in this total.) For resident graduate academic students, the increase of \$1,205 will bring annual systemwide fees to \$5,219 per year. Most professional school students also will see a fee increase of 30 percent. Nonresident students will be asked to pay the 30 percent fee increase along with a 10 percent increase in nonresident tuition, producing total average fees of approximately \$19,647 for nonresident undergraduates and \$19,036 for nonresident graduate students.

All of these increases are on top of the \$405 annualized increase that was implemented for the spring 2003 term to help the University cope with mid-year cuts in the 2002-03 state budget.

Financial aid will cover the fee increase for approximately 40 percent of UC undergraduates. In general, financially needy undergraduates from families with annual incomes of \$60,000 or less will not have to pay the fee increase; a UC grant or Cal Grant will offset it. Also, in general, financially needy undergraduates from families with annual incomes between \$60,000 and \$90,000 will receive a UC grant covering approximately half of the fee increase. Parents who already benefit from federal tax credits, such as the Hope and Lifetime credits, may see them increase slightly to cover a portion of the increase. Scholarships and parent loans, of course, also are available to families in all income groups.

I know that a fee increase is never welcome and that it is particularly unwelcome when families are facing many other financial pressures. But it is only one of many actions we are taking to cope with this budget crisis, and I believe it is essential if we are to avoid cutting class offerings, increasing class sizes, and delaying students' progress to graduation.

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The 2003-04 State budget makes \$410 million in cuts to UC programs, an amount equivalent to all State funding for UC Berkeley. We have done our best to minimize the impact on the student instructional program. Essentially all other areas of University operations--administration, libraries, research, student services, K-12 outreach, Cooperative Extension, and many others--are taking major cuts, and employee layoffs are being implemented in most of these areas. Our faculty salaries now lag those of comparable universities by a significant margin. And the Legislature included language in the budget warning that the State will not be providing funding for student enrollment growth or employee salary increases at UC in the 2004-05 year.

For seven years beginning in the mid-1990s, the University did not increase its system-wide student fees; thanks to a strong California economy, the State provided funding in lieu of a fee increase to cover UC's inflationary cost increases. In fact, in the late 1990s, fees at UC actually fell 10 percent for resident undergraduates and 5 percent for resident graduate academic students. The State now pays about three-quarters of the cost of educating each UC undergraduate. But it is clear that with the economic and budget downturn, the State's subsidy can no longer be quite so large.

A fee increase for 2003-04 is being implemented in order to prevent these continuing budget cuts from damaging the quality of the student educational experience at the University of California. The severity of the State's budget crisis has left us with few choices. While it may not be tremendously comforting, I do want you to know that student fee hikes still represent less than one-quarter of the University's response to the State budget crisis.

I regret the situation in which we find ourselves. I did, however, want you to hear this news directly from me. I hope you will explore these issues further by visiting two UC web sites. One, called "You Can--We Can Help," profiles UC students with varying family incomes and shows how they have made college affordable. It can be found at www.universityofcalifornia.edu/admissions/youcan. The second, a summary of the current student fee situation, can be found at www.universityofcalifornia.edu/admissions/feeupdate.

Thank you for your understanding, and for your support of our efforts to protect the UC student educational experience from the worst of the State's budget cuts.

Sincerely,



Richard C. Atkinson
President