



OFFICE OF THE CHANCELLOR

UNIVERSITY OF CALIFORNIA, SANTA BARBARA

November 7, 2014

Dear Members of our UC Santa Barbara Community:

I am writing to share a message (below) from President Napolitano and Bruce Varner, Chairman of the Board of Regents, regarding the Board of Regents' plans to enroll more California students, ensure the continuation of UC's robust financial aid program, improve the student-faculty ratio, increase student support, and provide additional course offerings.

To accomplish these goals, the Board will consider a new five-year plan for low, predictable tuition increases that will allow students and families at all income levels to budget for the total cost of their UC education, and end the volatility in UC's tuition-setting process.

We hope the state will provide funding that is adequate to support the university, but this plan acknowledges the importance of having a sustainable economic model that will preserve the excellence of a UC education.

Sincerely,

Henry T. Yang
Chancellor

A letter from President Janet Napolitano and Bruce D. Varner, Chairman of the Board Regents:

A better plan to set tuition at UC

Plot a graph of tuition at the University of California from the 1980s until now and you'll see what looks like an electrocardiogram of a patient in full cardiac arrest, interspersed with deep, calming breaths.

In the 1981-82 academic year, for example, tuition jumped 30.5 percent; 10 years later, there was a 40 percent spike. The price fell 5 percent in 1998-99, and dropped another 5 percent the next year. In 2003-04, there was a 30 percent bump, and levels climbed higher as state-funding cuts sliced deep starting in 2009. In 2012-13 came another time-out; 2014-15 is the third consecutive academic year of no increase.

Students and the university have dealt with this boom-or-bust funding model as best they could – but nobody has been pleased. Planning and budgeting have become, at best, a calculated guess. Investment in educational quality has stalled.

As stewards of the university, we say enough is enough. California needs a better way.

Tuition should be as low as possible, and as predictable as possible. Students and their families need to know, up front, what the total cost of a UC education will be, how much financial aid they can expect and what their tuition will buy. The state and the university need to invest in the academic excellence that has made UC into what is widely recognized as the best public university system in the world.

That's why Thursday we are announcing a long-term stability plan for tuition and financial aid that the UC Board of Regents will consider later this month. The plan is the first of its kind in California, and we strongly believe it is a better way.

It makes some assumptions right off the bat, the most important of which is that investing in the University of California and the future of our state and its citizens is a public good that benefits us all.

The good news is California's economy is rebounding after years of recession during which the state slashed UC's budget by nearly \$1 billion. The fact remains, however, that per-student state funding to the university has plummeted nearly 25 percent over the past 10 years.

In response, the university has reduced staff, made operations more efficient, enrolled more nonresident students, boosted philanthropy and sought alternative revenue. We also supported passage of Proposition 30, promised as a boon to higher educational funding, when, in fact, UC has received only 5 percent of funds that the temporary measure has generated so far.

And, of course, the university had to raise tuition, sometimes by a lot, often with little advance notice to California families because of 11th hour state budget wrangling.

The new long-term stability plan proposes that UC tuition will not increase more than 5 percent annually for five years. That means in-state tuition will rise by no more than \$612 in 2015-16. It is

important to note that the increase might be less than 5 percent – or eliminated – depending on the level of state support.

Adoption of this new model also will ensure that the university can maintain its current financial aid program under which more than half of all California undergraduates have their tuition and student services fees fully covered.

The proposal assumes that state funding for UC will increase by 4 percent next year, as Gov. Jerry Brown has announced. But to be clear, this doesn't mean an across-the-board 4 percent jump in state aid to UC.

Because any such increase would apply solely to the state's portion of UC's academic budget, it equates to only a 1.7 percent rise in funds to educate students. That's less than the rate of inflation, far less than what's needed to meet student and university needs and far less than the state's investment in UC only six years ago when we educated thousands fewer students.

The plan that the Board of Regents will consider is a sustainable investment in California and its students. It will enable the university to enroll at least 5,000 more Californians over five years and invest in the academic quality that students and their families expect.

Nonresident undergraduates, whose tuition and fees will increase by the same 5 percent, will continue to pay three times as much to attend the university as do Californians.

Thanks in part to actions taken by state leaders, our economy is back on the right track. It's now time for the state to reverse cuts in investment to educate Californians. We intend to make this case in Sacramento and throughout the state, and we urge Californians to do the same.

California simply cannot leave UC's mission of academic excellence, access, and affordability at the mercy of shifting political and economic winds. That has not worked well for anyone in the past.

In the meantime, UC has a plan to maintain academic excellence, grow enrollment of Californians and protect access through financial aid. Let's work together to get it done.

Additional information on the proposal can be found on the University of California's website at the following links:

- [Press release](#)
- [Long-term Stability Plan for Tuition and Financial Aid](#)
- [FAQs](#)