Senate Item for Review: Proposed Revision to the Professional Degree Fees Policy

Due Date: Please respond by February 19, 2010 with apologies for the late distribution. The Systemwide Senate only decided to send it for review late last week, with Divisional Office receiving clarification late Monday afternoon.

Return to: Jaime Balboa, CAO, jbalboa@senate.ucla.edu

Relevant Links: Please see attached

On behalf of the UCLA Academic Senate Chair Robin Garrell, review, including an endorsement of or opposition to the item (any recommendations made), is specifically requested of the following committees and councils:

All Professional School FECs
Council on Planning and Budget
Graduate Council
Executive Board

All other committees and councils are not required to opine, but they are welcome to. Responses are most useful when they include one of the following statements: 1. The committee endorsed the proposal(s) as written; 2. The committee endorsed the proposal, contingent upon the following revisions (please specify); 3. The committee cannot endorse the proposal until and unless the following revisions are made (please specify); and 4. The committee opposes this proposal. Minority reports are welcome and should be submitted with the response of the committee.

Background Information:

UC Provost Pitts has requested comment on the proposal he intends to take to the Regents in March to revise current policy establishing criteria for professional degree fees. The request for comment is ONLY on the policy parameters that govern the setting of professional degree fees, with specific emphasis on removing the limitation that UC professional degree fees should not exceed the average of fees for similar programs at public comparator institutions.

For your reference, I am attaching the proposed March Regents item and the Regents item for March 2007, when the current principles were adopted. The previous Regents policy on professional school fees, adopted in 1994, listed the following factors for consideration in setting fees: “the amount of resources required to sustain academic quality at, and enrollments in, the particular professional program; the ability of the University to remain competitive with other institutions; the cost of education for each specific program; the average fees charged by comparable public and private institutions for each specific program; overall State General Fund support for the University; and other market based factors that permit University programs to compete successfully for students.”
In the lead-up to the March 2007 Regents item, the Regents discussed professional school fees in November 2006 and January 2007, postponing action from January to March 2007 because of the Senate’s concerns, expressed in a letter to then Provost Rory Hume on December 22, 2006 from then Chair John Oakley, who described conveyed Council’s views on the proposed criteria for setting professional school fees as follows:

The proposed principles seem to work on the assumption that fees should be set as high as the market will bear, and say nothing about what UCPB calls “unique needs and features of public professional schools.” UCPB and San Diego voiced opposition to open-ended fee increases, which UCPB characterizes as a “high-fee model for UC’s professional schools.” UCPB recommends a set of four guiding principles for fee increases, which include the notions that peer institution fee rates should act as a ceiling for UC’s fees, and that decisions about fee increases should be driven by academic planning. While recognizing that professional schools should be given more latitude with their fees, UCPB advises that the high-fee model not be adopted without open discussion and the full exploration of long-range public funding solutions.

Other Comments on setting fees (Bullets 3 -6):

- Fees should be transparent, predictable, and fully justified, and they should be set in consultation with both the administration and faculty of the individual schools, based on peer data. (See UCLA comments).
- The reference to “salary and non-salary price increases” in Bullet 5 is too vague and should be clarified (UCSF).
- The Santa Cruz division notes that “the relationship (if any) between inter-institutional comparability of professional fees and comparability of faculty salaries” needs clarification. They also question whether UC is in a position to say it can competitively recruit high-quality professional-school faculty on a continuing basis.
- The list of factors for determining fees (Bullet 3) should include the faculty-student ratio, since this plays a key role in the quality of academic programs (San Diego). The list should include, as well, the income-earning potential of the profession (Davis), and a more concrete expression of commitment to recruiting high-quality junior faculty and providing competitive support (UCSF).
Office of the President

TO MEMBERS OF THE COMMITTEES ON EDUCATIONAL POLICY AND FINANCE:

DISCUSSION ITEM

For Meeting of March xx, 2010

PROPOSED REVISIONS TO POLICY ON FEES FOR SELECTED PROFESSIONAL SCHOOL STUDENTS

EXECUTIVE SUMMARY

The current Policy on Fees for Selected Professional School Students\(^1\) requires that total in-State fees be set below the average of estimated fees at public comparison institutions. In recent years, many professional school programs have proposed fee increases that were projected to exceed the average of fees at public comparison institutions and the Regents have approved these requests as exceptions to Regental Policy. For example, for the 2009-10 academic year, one-third of the programs requested fee increases that required exceptions to Policy; for 2010-11, more than half of the requested increases required exceptions to Policy.

There are several reasons why exceptions have been proposed in the past. Primary is that the ceiling required by the current Regents’ Policy emphasizes the charges of comparable public programs above other factors – such as program quality, the budgetary need of the program, and the cost of programs (both public and private) with which UC actually competes – in determining the appropriate fee level. In addition, some programs have had difficulty identifying appropriate public comparison institutions. Plus the comparison of UC’s total charges with average charges of public comparison institutions does not capture the full financial context of these charges.

For these reasons, it is recommended that the Policy on Fees for Selected Professional School Students be revised such that the average total charges at public comparison institutions be added as a factor to be considered as programs develop their multi-year plans, but not be a ceiling as required by the current Regents’ Policy. Other minor changes to the Regents’ Policy are also recommended.

\(^1\) Available at http://www.universityofcalifornia.edu/regents/policies/6088.html.
RECOMMENDATION

The President, with the Provost’s endorsement, recommends that the Committees on Educational Policy and Finance recommend that the Regents, at their March 2010 meeting, adopt the following Policy on Fees for Selected Professional School Students, as revised below:

(1) A Fee for Selected Professional School Students be assessed to students enrolled in graduate professional degree programs, as determined by The Regents, to sustain and enhance the quality of the professional schools’ academic programs and services.

(2) Revenue from professional school fees will remain with the campuses and will not be used to offset reductions in State support.

(3) Fees for professional school students will be approved by The Regents, within the context of a multi-year plan that is subject to annual reconsideration.

(4) The Provost is responsible for ensuring that the leadership of each campus designs a multi-year plan of fee increases for each professional degree program in a manner that effectively advances the program’s mission and strategic academic plan.

(5) In developing a program’s multi-year plan, the following factors are among those to be taken into consideration: the amount of resources required to sustain academic quality at, and enrollments in, the particular professional degree program; the ability of the program to remain competitive with other institutions of similar quality; the cost of education for each specific degree program; the resident and nonresident tuition and fees charged by comparable public and private institutions for each specific program; and other market-based factors (such as scholarship and grant support) that permit the degree program to compete successfully for students. Within this context, different fee levels may be set for professional programs in the same discipline at different campuses. In addition, in any program directly supported by State General Funds the total tuition and/or fees charges by comparable degree programs at other comparable public institutions will be taken into consideration in developing a program’s multi-year plan.

(6) Financial aid targeted for students enrolled in professional degree programs is necessary to ensure access to the degree program, and to minimize financial barriers to the pursuit of careers in public service. The Provost is responsible for ensuring that each campus complements its proposed multi-year plans for professional degree programs with financial aid measures, including scholarships, grants and loan repayment assistance programs, to adequately meet these goals. Financial aid sources should be supplemented by an amount equivalent to at least 33 percent of new professional school fee revenue or by an amount necessary to ensure that financial aid sources are equivalent to at least 33 percent of all professional school fee revenue. Campuses will regularly evaluate and report on the effectiveness of these financial aid measures.

(7) The following conditions are adopted for future professional degree fee increases:
COMMITTEES ON EDUCATIONAL POLICY AND FINANCE
January xx, 2010

(A) Access and inclusion are among the University’s core commitments, and student affordability is a vitally important component to a public education system. Any increases in professional degree fees (PDFs) must be justified by programmatic and financial needs, but also must not adversely affect the University’s commitment to access, inclusion, and keeping the door open for students interested in pursuing low-paying public interest careers.

(B) With this sentiment in mind, if a professional school unit wishes to propose a PDF increase greater than 6 percent or in excess of the percentage increase in the Educational Fee for a given year, it must submit a plan, endorsed by its chancellor, describing academic and/or programmatic reasons for the requested increase and describing policies to ensure or enhance access and inclusion in the face of the rising fees.

(C) Each plan should consider the following (including expenditure projections, design parameters, and performance metrics) components:

   i. Front-end financial aid such that needy students are able to pursue their academic and summer interests without regard to financial considerations.

   ii. Loan forgiveness programs (or some equivalent alternative program) for, among others, students interested in pursuing low-paying public service jobs such that their debt from professional school does not unduly restrict their career decision.

   iii. A strategy for inclusion of underrepresented groups.

   iv. A detailed marketing and outreach plan to explain financial aid and loan forgiveness.

   v. Total tuition and fee levels from public and private comparison institutions; each plan must include this comparative data.

(D) Each unit’s PDF plan shall also include:

   i. Assurances that in any program directly supported by State 19900 funds, the total in-state fees charged will be at or below the total tuition and/or fees charged by comparable degree programs at other comparable public institutions.

   ii-vi. Information as to the views of the unit’s student body and faculty on the proposed increase. This information may be obtained in a variety of ways ranging from consultations with elected student leaders and faculty executive committees to referenda. The information would be treated as advisory, but The Regents would view more favorably PDF proposals that enjoy the support of a unit’s faculty and student body.

(E) The Provost and Executive Vice President will provide further guidance and coordination as needed to the campuses and to elements of the Office of the President, and coordinate submission of the PDF proposals to The Regents for annual action. Chancellors will carefully review PDF proposals and the supporting plans concerning financial aid, loan forgiveness, outreach, evaluation, and implementation of corrective measures if needed (such as a PDF rollback, freeze, limit on future increases, or other financial and/or non-financial measures), and forward the PDF proposals as revised to the Office of the President. PDF proposals from the
camps and as submitted to The Regents should cover a rolling period of not less than three years.

(F) These conditions are effective in academic year 2009–10 and onwards. For academic year 2008–09, any PDF increases greater than 6 percent approved by The Regents are conditional on the President's determination by March 1, 2008, that the unit has satisfied conditions equivalent to those above; such a determination will be reported to The Regents for information.

BACKGROUND

In January 1994, the Regents approved a Policy on Fees for Selected Professional School Students, authorizing fees for students in selected professional degree programs. These fees are required in addition to mandatory systemwide fees (i.e., the Educational Fee and Registration Fee), Campus-based Fees, and, when appropriate, Nonresident Tuition. In approving the Policy, the University reaffirmed its commitment to maintain academic quality and enrollment in the professional school programs, and recognized that earning a degree in these programs benefits the individual financially as well as the State. Since 1994, professional schools have been largely supported by a combination of revenue sources, including State General Funds, Educational Fee revenue, and professional degree fee revenue, among others.

The Policy as amended by the Regents in July and September 2007 provides that professional degree fees are “assessed to students enrolled in graduate professional degree programs, as determined by the Regents, to sustain and enhance the quality of the professional schools’ academic programs and services.” The Regents’ Policy also sets conditions regarding the use of the fees, calls for the approval of fees within the context of a multi-year plan, and specifies criteria that should be taken into consideration in developing the plan. Programs’ multi-year plans must include discussion of the program’s goals and objectives; proposed uses of new professional degree fee revenue; factors affecting placement within the program’s market, including total tuition and fees charged by comparable degree programs at public and private institutions and offsetting scholarship and grant aid; and public policy concerns, such as demographic enrollment trends by ethnicity and socioeconomic status; diversity strategy; financial aid strategy; and affordability measures.

Another public policy issue is how the pricing of UC’s programs compares to charges at other publicly supported programs. Current Regents’ Policy calls for a comparison of proposed fees to charges at comparable public institutions. However, the policy goes a step further by setting a ceiling, i.e., requiring “assurances that in any program directly supported by State 19900 funds, the total in-State fees charged will be at or below the total tuition and/or fees charged by comparable degree programs at other comparable public institutions.”

Since the establishment of this ceiling in September 2007, the Regents have approved many professional degree fees as exceptions to Regents’ Policy for one reason: the total in-State fees for these programs were expected to exceed the average of estimated fees at their public comparison institutions. In May 2009, of the 36 programs requesting approval of professional degree fee levels for 2009-10, fee levels for 12 programs were approved as an exception to
Regents’ Policy because the in-State fee levels were expected to exceed the estimated fees at their public comparison institutions; the programs otherwise complied with Regents’ Policy. In November 2009, of the 44 programs requesting approval of professional degree fee levels for 2010-11, fee levels for 24 programs were approved as an exception to Regents’ Policy because the in-State fee levels were expected to exceed the estimated fees at their public comparison institutions; these programs also otherwise complied with Regents’ Policy.

The large number of exceptions during the last two years indicates the need for review and reconsideration of this Policy requirement. There are several reasons why exceptions have been proposed in the past. Primary is that the ceiling required by the current Regents’ Policy emphasizes the charges of comparable public programs above other factors – such as program quality, the budgetary need of the program, and market-place factors such as the charges at programs (both private and public) with which UC actually competes for students – in determining the appropriate fee level. Other requirements of the Regents’ Policy, such as evidence that the professional degree programs in question are accessible to low-income and underrepresented minority students, are also critical in determining the appropriate fee level. (The Regents’ Policy enumerates a number of issues that programs’ multi-year plans must address, including the academic and/or programmatic reasons for the requested professional degree fee increase; financial aid to ensure access to the degree program and to minimize financial barriers to the pursuit of careers in public service; loan repayment assistance programs for post-graduation low-paying public service jobs; a strategy for inclusion of underrepresented groups; a detailed marketing and outreach plan to explain financial aid and loan repayment assistance; and information about the views of students and faculty on the proposed professional degree fee increase.) All of these factors, including a comparison of fees with comparable public institutions, need to factor into the level of fees UC programs charge.

Another reason for exceptions is that some programs have had difficulty identifying appropriate public comparison institutions. In the case of Los Angeles’ Theater, Film and Television program, no comparable public programs exist; in other cases, programs compete more directly with private institutions than with public ones for students, faculty, and national rankings.

Finally, the comparison of UC’s total charges with average charges of public comparison institutions does not capture the full financial context of these charges. Program charges are influenced by many different factors, including the level of state subsidy in programs and the cost of living for faculty and instructional support staff; the local cost of living for faculty and instructional support staff necessitate higher salaries for UC employees relative to their counterparts at public institutions in other states. UC’s charges are also influenced by the Policy’s financial aid requirements; programs must “supplement [financial aid sources] by an amount equivalent to at least 33 percent of new professional school fee revenue or by an amount necessary to ensure that financial aid sources are equivalent to at least 33 percent of all professional school fee revenue.” However, information about the degree to which comparison institutions subsidize financial aid with program fee revenue is not readily available to the University.
For these reasons, the President, with the Provost’s endorsement, recommends that the Policy on Fees for Selected Professional School Students be revised such that the average total charges at public comparison institutions be added as a factor to be considered as programs develop their multi-year plans, but not call for a ceiling as required by the current Regents’ Policy. This consideration of public comparison charges would be comparable to what is required by The University of California Student Fee Policy, which states “…the President shall take into consideration” factors including “the full cost of attendance at comparable public institutions” when recommending the annual Educational Fee level to the Regents. Office of the President staff would continue to collect from the programs and provide to the Regents data about the average total charges at public comparison institutions as compared to total in-State charges at UC programs charging professional degree fees.

It should also be noted that Office of the President staff, in cooperation with campus leadership, are currently establishing new internal procedures for proposals for professional degree fees in new disciplines to be effective for proposals developed for 2011-12. The significant number of fees proposed for new disciplines for 2010-11 resulted in some concern among the Regents, particularly with respect to fees proposed for UC’s social welfare programs. In the future, proposals for professional degree fees in new disciplines will undergo a broad, comprehensive review. Initial proposals for professional degree fees in new disciplines will be reviewed by the Executive Vice Chancellors, by the deans of other schools and colleges within the discipline, and by the appropriate Academic Senate committees. In addition, in spring 2010 the Academic Senate will consider whether to propose principles for determining the types of programs that may appropriately charge professional degree fees. Such principles could be added to the Regents’ Policy at a future date.

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2 Available at http://www.universityofcalifornia.edu/regents/policies/6069.html.
Office of the President

TO MEMBERS OF THE COMMITTEE ON EDUCATIONAL POLICY:

ACTION ITEM

For Meeting of March 14, 2007

APPROVAL OF PRINCIPLES UNDERLYING THE DETERMINATION OF FEES FOR STUDENTS OF PROFESSIONAL DEGREE PROGRAMS

RECOMMENDATION

In order for professional schools and colleges to continue to provide excellent education and academic leadership for their professions, the President and the Provost recommend that the Committee on Educational Policy recommend to The Regents that:

(1) The Regents approve professional school fees according to a multi-year plan, subject to annual reconsideration.

(2) The Regents adopt the principle that different professional programs in the same discipline at different campuses may have fees set at different levels; and that in doing so, The Regents confirm the commitment to maintaining a single fee level for in-state undergraduate students for all campuses across the system, a single fee level for out of state undergraduate students for all campuses across the system, a single fee level for in-state graduate academic students for all campuses across the system, and a single fee level for out of state graduate academic students for all campuses across the system;

(3) The Regents endorse the critical importance of campus plans for targeted financial aid for students in professional degree programs to assure access and to minimize financial barriers to the pursuit of careers in public service; The Regents charge the Provost and Executive Vice President with ensuring that each campus complements its proposed professional degree fee policies with such financial aid measures, including scholarships and loan forgiveness; and that the effectiveness of such programs be evaluated regularly.

(4) The Regents charge the Provost and Executive Vice President with ensuring that the leadership of each campus designs its proposed professional degree fees in a manner that effectively advances the mission and strategic academic plan of each program.
BACKGROUND

This item provides more specific guidance for implementation of the policy on professional degree fees recommended by the Council of Vice Chancellors through the President. The multi-year strategy is important, even though subject to annual reconsideration, to provide a more stable planning environment. This is especially important, and fiscally prudent, since professional degree fees will be dedicated to such longer-term investment needs as new faculty positions, financing capital projects, and financial aid. The professional fees associated with a particular degree may vary between campuses to reflect emerging differences in academic strategic plans, investment needs, the availability of other public or private funding streams, and the market competition for students, faculty and staff.

It is important to emphasize that this policy addresses the specific challenges facing our professional programs and in no way implicates the quite different concerns related to undergraduate or other fees. In those other settings, quite different issues of access, campus comparability, and mission apply.

The flexibility and variability in establishing professional fees must be policed by campus leaders and the Office of the President in two critical respects. First, fee proposals must be considered in light of companion financial aid policies carefully designed to promote access at the admissions stage, and public service careers at the graduation stage. The specific strategies for achieving these goals will vary across professions and campuses, but the Provost will be charged with reviewing the sound exercise of discretion by campus leaders. Second, to generalize the financial aid issue, any fee proposal should be the product of a careful academic planning process which yields a strategy to achieve excellence in the mission of the particular program and the University as a whole. The fee proposals are part of an overall plan for financing that strategy, and constitute but one revenue source. The Provost is charged, again, with reviewing the care with which campuses develop their academic strategies and the fit between those strategies and the proposed financing of them.

Finally, it bears emphasis that the Chancellors and the Office of the President have responsibility for periodic reexamination of professional school fee policies, as well as the academic strategic plans those fees support. This reexamination should include, *inter alia*, the effectiveness of financial aid practices, trends in the characteristics of enrolled students, and indicia of national competitiveness of the programs.

(Attachment)
ACADEMIC COUNCIL CHAIR HENRY POWELL

Dear Harry,

I am following up on my letter to you of December 16, 2009, regarding the Professional Degree Fee approval process. We had planned to present a discussion item to the Regents next week, with an action item in March. Instead, we will wait and go forward only once, with an action item in March.

In preparation for that item, I would appreciate the opinion of the Council on the proposed change to the Policy on Fees for Selected Professional School Students. The change would delete the word “public” from line three of section 7(D), paragraph i., and permit programs to be in compliance with Regents policy if the total in-State fees for programs are at or below the average of estimated fees charged by comparable degree programs at all comparison institutions, including private institutions. (The current Regents’ Policy is available at http://www.universityofcalifornia.edu/regents/policies/6088.html):

(D) Each unit’s PDF plan shall also include:

   i. Assurances that in any program directly supported by State 19900 funds, the total in-state fees charged will be at or below the total tuition and/or fees charged by comparable degree programs at other comparable public institutions.

In recent years, many professional school programs have proposed fee increases that were projected to exceed the average of fees at public comparison institutions and the Regents have approved these requests as exceptions to Regental Policy. For example, for the 2009-10 academic year, one-third of the programs requested fee increases that required exceptions to Policy; for 2010-11, more than half of the requested increases required exceptions to Policy. These programs otherwise complied with Regental Policy.

There are several reasons why exceptions have been proposed in the past. For instance, some programs have had difficulty identifying appropriate public comparison institutions. In addition, the comparison of UC’s total charges with average charges of public comparison institutions does not capture the full financial context of these charges, e.g. level of state subsidy, cost of living, financial aid requirements.
Finally, the ceiling above which an exception is required by the current Regents’ Policy emphasizes the charges of comparable public programs above other factors – such as program quality and the budgetary need of the program – in determining the appropriate fee level.

I believe this change is appropriate because in many instances UC’s professional degree programs compete most closely with private institutions, rather than publics, for students, faculty, and national rankings. The attached scattergrams illustrate the issue quite clearly.

The second part of my letter last December had to do with establishing new internal procedures for proposals for professional degree fees in new disciplines for 2011-12 and beyond. It is our view that schools proposed to charge fees for the first time will need broader vetting than has occurred in the past for professional degree fee proposals. These revised internal procedures will allow the initial proposals to be reviewed by the Executive Vice Chancellors, by the deans of other schools and colleges within the discipline, and by the appropriate Academic Senate committees.

The proposed March Regents item to change the comparators to include both public and private institutions in no way should prevent the Academic Senate from considering other fee issues such as differential fees by majors (which you’ve recently written about), or the most appropriate way for professional fees to be allowed initially or adjusted from time-to-time. I look forward to hearing of any Senate deliberations or conclusions about fee issues, and of course will be happy to help you develop information and data to aid in the deliberations.

Sincerely,

Lawrence H. Pitts
Interim Provost and Executive
Vice President Academic Affairs

Attachment

cc: Academic Council Vice Chair Simmons
    Vice President Obley
    Executive Director Winnacker