

Office of the President

TO MEMBERS OF THE COMMITTEE ON FINANCE:

ACTION ITEM

For Meeting of January 20, 2016

APPROVAL OF PROPOSED 2016-17 PROFESSIONAL DEGREE SUPPLEMENTAL TUITION FOR SIX PROGRAMS

EXECUTIVE SUMMARY

In 2015-16, Professional Degree Supplemental Tuition (PDST) is charged to students in 64 graduate professional degree programs in 38 disciplines. This item makes two requests of the Regents pursuant to Regents Policy 3103, Policy on Professional Degree Supplemental Tuition.

First, the Regents are asked to authorize an eight percent increase effective 2016-17 for Nursing graduate professional degree programs offered on four campuses (Davis, Irvine, Los Angeles, and San Francisco) in recognition of the unique financial circumstances of those programs.

Second, the Regents are asked to authorize new PDST effective 2016-17 for two graduate professional degree programs: Biomedical and Translational Science at Irvine and Public Policy at San Diego.

RECOMMENDATION

The President of the University, with the Provost's endorsement, recommends that the Committee on Finance recommend that the Regents approve the following actions related to Professional Degree Supplemental Tuition:

- A. Authorize an increase in Professional Degree Supplemental Tuition of eight percent effective 2016-17 for the Nursing graduate professional degree program on all four campuses that offer the degree (Davis, Irvine, Los Angeles, and San Francisco). The increases are to be authorized as an exception to Regents Policy 3103, Policy on Professional Degree Supplemental Tuition, as in-state charges for the four Nursing programs are expected to exceed average charges for in-state students at programs in public comparison institutions.

- B. Authorize initiation of Professional Degree Supplemental Tuition for two graduate professional degree programs – Biomedical and Translational Science at Irvine and Public Policy at San Diego – at the levels indicated in Attachment 1.

BACKGROUND

Professional Degree Supplemental Tuition (PDST) was established in 1994-95 to allow UC's professional schools to offset reductions in State support and maintain program quality. PDST is assessed in addition to mandatory systemwide charges and, if applicable, Nonresident Supplemental Tuition. PDST levels during 2015-16 range from \$4,200 to \$40,476, depending on a student's program, campus, and residency.

Historically, many of UC's professional schools have held a place of prominence in the nation, promising an exceptional education for a reasonable price. Revenue generated from PDST has been critical to these programs' efforts to regain and maintain excellence following years of otherwise devastating budget cuts. The Regents' Policy on Professional Degree Supplemental Tuition includes specific conditions for ensuring that the University's commitment to access, affordability, diversity, and students' public service career decisions is not adversely affected by increases in fees for graduate professional degree students.

In November 2014, the Regents authorized the President of the University to approve annual increases to Professional Degree Supplemental Tuition of up to five percent over the previous year for the years 2015-16 through 2019-20 and, consistent with existing Presidential authority, to approve any annual decreases. Any graduate professional degree program requesting either to charge PDST for the first time or to charge a PDST increase higher than five percent in any given year would be required to submit a proposal for approval by the Regents.

Professional Degree Supplemental Tuition Proposals

In accordance with Regental policy, each graduate professional degree program proposing to charge or approved to charge PDST must have a multi-year plan that is submitted to the Provost through its Chancellor. Each multi-year plan is thoroughly reviewed by the Office of the President for the following information:

- the amount of resources required to sustain academic quality at, and enrollments in, the particular graduate professional degree program;
- the intended uses and justification for PDST revenue, including the educational benefits that will be provided to students;
- the tuition and fees for comparison programs at public and private institutions of higher education;
- the program's affordability goals, financial aid strategies, and student loan debt trends;
- the program's racial, ethnic, and (when available) socioeconomic student enrollment trends and diversity strategies; and
- the views of the program's student body and faculty on the proposed PDST levels.

During the intensive multi-year plan review process, campuses must demonstrate that proposed PDST increases will not adversely affect the University's commitment to access, inclusion, and keeping the door open for students interested in pursuing lower-paying public interest careers. The Provost also ensures that each program complements its proposed multi-year plans for PDST levels with financial aid measures, including scholarships, grants, and/or loan repayment assistance programs, to adequately meet these goals. In addition, the appropriateness of each program's selection of comparator programs in public and private institutions is examined and its total tuition and/or fees compared to those of its comparators. To the extent reasonable, programs are expected to keep their charges at or below the average of the total tuition and/or fees charged by comparator degree programs at other public institutions. Multi-year plans that do not include sufficient information or satisfactory plans are required to submit revised proposals. A program that requests an increase in any year above the level originally submitted in its multi-year plan must submit a new multi-year plan to be reviewed by the Office of the President.

For 2016-17, campuses submitted PDST proposals, raising the total number of graduate professional degree programs to 66. Of these, four Nursing programs require Regental approval because the increase from 2015-16 is greater than five percent, and two require Regental approval because they are new PDSTs. The remaining 60 proposals reflect proposed increases of five percent or less and will be considered for approval by the President under the authority delegated by the Regents to the President.

2016-17 PDST LEVELS SUBMITTED TO THE REGENTS FOR APPROVAL

2016-17 PDST Increase for Four Graduate Professional Nursing Degree Programs

The Nursing graduate professional degree programs at Davis, Irvine, Los Angeles, and San Francisco propose, and the President of the University and Provost support, a PDST increase of eight percent (see Attachment 1) for several reasons. For many years Nursing programs were asked by then-Governor Schwarzenegger both to increase their enrollment of future nurses to meet the state's needs and to keep their PDST levels low. Graduate professional degree programs in other disciplines were permitted to increase their PDST levels at much higher rates. Nursing schools currently do not have the resources they need to maintain quality in these programs.

The PDST proposals for the Nursing programs were given greater than usual scrutiny and review by the Provost and the Office of the President, particularly with regard to their strategies for increasing the enrollment of students from underrepresented groups and low-income backgrounds, their financial aid strategies and affordability goals, their information about the manageability of student loan debt, their revenue expenditure plans, their cost-cutting and fundraising efforts undertaken to avoid even higher PDST increases, and their student consultation process. Each of the program proposals has met or exceeded expectations of the Provost and Office of the President staff members, and approval of the proposed increases is recommended.

New PDST Charges for Two Graduate Professional Degree Programs

New PDSTs are proposed for two graduate professional degree programs on the Irvine and San Diego campuses (see Attachment 1). The former is longstanding and the latter is new. The review of the multi-year plan for each proposed PDST confirmed that these programs reflect graduate professional (rather than academic) degree objectives and are hence eligible to assess PDST. In addition, all required campus and systemwide program approvals were obtained. Finally, as is the case for all programs proposing to charge PDST in 2016-17, these two programs addressed all aspects of Regents Policy 3103 in their multi-year plans and were subjected to a thorough review, including a review of affordability, accessibility, and diversity measures.

Brief descriptions of the two programs proposing to charge PDST for the first time in 2016-17 follow.

- **Biomedical and Translational Science** (Irvine). The School of Medicine offers a one- to two-year (depending on incoming student's clinical research experience) terminal Master of Science in Biomedical and Translational Science (MS-BATS) preparing students to conduct, interpret, evaluate, and apply interdisciplinary clinical research to enter professional careers in health policy administration and research. An established clinical research training program, the MS-BATS program has an initial focus in comparative effectiveness research (CER), evidence-based medicine, and the science of quality assessment and improvement, and is aimed at junior faculty in clinical departments, fellows, residents, third- and fourth-year medical students, and physicians. PDST revenue will be used to enhance the curriculum and improve training opportunities necessitated by the rapidly changing CER and evidence-based medicine landscape, provide salaries and benefits to faculty with professional experience in CER, as well as for financial aid, instructional support staff, and other non-salary expenses. A portion of the 2016-17 return-to-aid will be used to offset the professional fee costs for second-year students who entered the program prior to the establishment of the PDST.
- **Public Policy** (San Diego). Approved in spring 2015, the Master of Public Policy is a new two-year program that seeks to prepare students for policymaking careers in a global context. The program is designed to meet the rapidly growing need for skilled professionals capable of understanding and recommending policy options addressing society's most pressing issues. Housed in the School of Global Policy and Strategy, the program provides students with access to resources in the School's international relations program and leading faculty who work on China, Japan, Korea, and the regional economies of East Asia, Southeast Asia, and Latin America. PDST revenue will be used for new course and workshop offerings; improved student-faculty ratio; faculty and instructors' salaries and benefits; financial aid, fellowships, and summer internships; facilities expansion; and other non-salary cost increases.

Market Comparisons

Policy requires that UC programs use marketplace analysis, as well as program quality, in pricing their programs, taking into consideration the tuition and fees charged by comparator

institutions. Most programs consider both public and private comparators in their marketplace analyses. The comparison institutions chosen by UC’s programs are generally the UC programs’ current competitors for students, faculty, and national rankings or a mix of current competitors and programs UC aspires to compete with.

Programs requiring Regental approval of 2016-17 PDST levels have identified comparison programs of high quality at public and private institutions across the nation for the marketplace analysis. The following display lists by professional degree program proposed in-state annual charges at UC and expected average of comparison institutions for 2016-17.

DISPLAY 1: Proposed Total In-State Charges at UC and the Expected Average of Comparison Institutions for 2016-17

	Proposed 2016-17 Total Resident Charges: UC (a)	Projected 2016-17 In-State Charges: Public Comparison Institution Average	Projected 2016-17 In-State Charges: Public and Private Comparison Institution Average	Projected 2016-17 In-State Charges: Private Comparison Institution Average
Biomedical and Translational Science				
Irvine	\$27,563	\$32,245	\$38,790	\$43,699
Nursing				
Davis	\$28,404	\$25,082	\$33,359	\$41,636
Irvine	\$27,902	\$25,082	\$33,359	\$41,636
Los Angeles	\$27,034	\$25,082	\$33,359	\$41,636
San Francisco	\$28,099	\$25,082	\$33,359	\$41,636
Public Policy				
San Diego	\$25,174	\$29,358	\$43,784	\$48,593

(a) Total resident UC charges reflect approximate first-year charges and include mandatory systemwide charges (Tuition and Student Services Fee), Professional Degree Supplemental Tuition, health insurance, campus-based fees, and Nonresident Supplemental Tuition, disability insurance fees, and other fees where applicable.

The four Nursing programs each identified the same set of comparison programs that include both public and private universities. All four Nursing programs are proposing PDST levels that would result in total charges that are expected to be below the average of the total tuition and fees charged by their comparison institutions. When compared only to programs at public institutions, however, total in-state charges for all four Nursing programs will exceed the estimated average total charges.

Each of the two programs that propose to charge PDST for the first time in 2016-17 – Biomedical and Translational Science at Irvine and Public Policy at San Diego – identified a set of comparison programs that included both public and private universities. In every case, the PDST level proposed by the UC program will result in total in-state student charges that are below the estimated average total charges for students in these comparison programs. The total charges for California resident students in both programs are less than the expected average total charges of their public comparators.

Regents Policy 3103 calls upon programs to develop PDST plans such that total charges are “at or below the total tuition and/or fees charged by comparable degree programs at other comparable public institutions.” Given the fact that program competitors are – and should be –

both public and private, the needs of the programs demonstrated in the information provided in their proposals, and their planned efforts to mitigate the impact of PDST with financial aid and outreach efforts, it is recommended that the proposed PDST levels be approved for all six programs, and as an exception to policy for four of the six programs.

Uses of Revenue from Proposed PDST Increase or New PDST

As part of their multi-year plans, the six programs requiring Regental approval for PDST levels in 2016-17 submitted three-year plans describing how the new PDST revenue reflected in their plan would be utilized. Display 2, below, summarizes how programs plan to use this revenue in 2016-17 based upon expenditure categories provided by the Office of the President.

DISPLAY 2: Projected Expenditures of New PDST Revenue for Six Programs, 2016-17

<u>Expenditure Category</u>	<u>Share of Revenue</u>
Additional Student Financial Aid	33.2%
Faculty Salary Adjustments	25.3%
Expanding Instructional Support Staff	15.7%
Benefits Cost Increases	10.4%
UCRP Contributions	5.8%
Improving the Student-Faculty Ratio	2.0%
Other Non-salary Cost Increases	1.5%
Facilities Expansion/Renewal	0.3%
Instructional Equipment Purchases	0.3%
<u>Other</u>	<u>5.5%</u>
Total	100.0%

Financial Aid and Student Indebtedness

Programs have demonstrated a commitment to providing students with grant and scholarship support in order to attract and enroll a highly talented and socioeconomically diverse student body, consistent with the financial aid policy goals first articulated by the Regents in 1994. Each of the six programs requiring Regental approval of PDST levels in 2016-17 has committed to meeting the requirements for financial aid specified in the Policy – i.e., each program plans to supplement financial aid sources by an amount equivalent to at least 33 percent of new PDST revenue, or provide financial aid in an amount equivalent to at least 33 percent of all PDST revenue. Some programs anticipate exceeding this 33 percent return-to-aid level.

Strategy for Inclusion of Underrepresented Groups

Several factors relating to enrollment trends and diversity strategies were reported. Office of the President staff reviewed racial and ethnic enrollment trends and comparable data from peer institutions as noted on the program forms. Diversity strategies for all of the programs were also reviewed, as diversity remains a major priority for these programs, and campuses have different levels of diversity within different programs.

Strategies for improving diversity include the following:

- The Biomedical and Translational Science program at Irvine is employing media coverage via articles focused on their program, as well as marketing to recruitment events targeting underrepresented students, including the Society for Advancement of Chicanos/Hispanics (SACNAS) and Native Americans in Science and the Annual Biomedical Research Conference for Minority Students (ABRCMS). The program will use the return-to-aid component to recruit top candidates from diverse backgrounds and underrepresented groups.
- San Diego's Public Policy program has a special taskforce focused on expanding the domestic pipeline administered through the Admissions Office, which includes direct faculty-to-faculty outreach to peers at U.S. institutions. Special effort is being expended to ensure contacts in Hispanic Serving Institutions and Historically Black Colleges and Universities. The program is also working to expand its outreach efforts, including a planned partnership with the Public Policy and International Affairs Program (PPIA) and the Network of Schools of Public Policy Affairs and Administration (NASPAA) to host a weekend event for undergraduate students interested in public policy.
- The Nursing program at Davis has an extensive outreach campaign through conference participation. The Betty Irene Moore School of Nursing exhibits at numerous targeted conferences including the National Association of Hispanic Nurses, the National Black Nurses Association, and the National Coalition of Ethnic Minority Nurses in addition to more general conferences including the California Nursing Students' Association, the National League for Nursing, the Rural Nurse Organization, the Western Institute of Nursing, and the California Nursing Students' Association.
- The Irvine Nursing program is employing a number of strategies, including advertising in the Minority Nurse and Hispanic Nurses Association. Nursing students have also worked with undergraduates to hold a Wellness Festival in Santa Ana at El Sol Sciences and Arts Academy. The program's current priority is to launch a Master's Entry Pre-licensure Program (MEPN) within 12-15 months, as these programs are known to attract a more diverse student body than other traditional pre-licensure programs.
- The Nursing program at Los Angeles has hired additional staff to focus on the undergraduate nursing program, so that the Director of Recruitment, Outreach, and Admissions can concentrate on graduate recruitment and diversification. The School of Nursing also attends various nursing conferences, including the National Black Nurses Association, the National Association of Hispanic Nurses, and the National Coalition of Ethnic Minority Nurse Associations, and supports the Pan African Nursing Student Association (PANSAA) and the School of Nursing Alumni Association.
- At San Francisco, Nursing program staff participate in recruitment events in California and nationally. They also meet with individual potential students, counsel in person and via email and phone, contract with institutions that graduate a rich mix of ethnically and racially diverse students for recruitment sessions, and represent their school and others on campus at national programs attended by interdisciplinary students.

In addition to short-term yield efforts, some programs are exploring more long-term approaches. The Irvine Nursing program, for example, is piloting a program in which faculty and nursing students provide health education and discuss opportunities within the nursing profession with

students in elementary, middle, and high schools that have ethnically diverse student bodies in underserved areas of Orange County.

Faculty and Student Consultation

The required consultation process provides an opportunity for faculty and students to engage in a dialogue with program leadership about multi-year plans, the rationale for PDST increases or new PDSTs, the impact on program quality of various PDST choices, and how any potentially undesirable consequences of PDST levels will be mitigated by financial aid, outreach, and recruitment of low-income and underrepresented minority students. Each multi-year plan described efforts to solicit student and faculty input on the PDST proposal.

The six programs used a wide variety of approaches to consultation, and methods varied by program and campus. Solicitation of student feedback was carried out through direct emails, email surveys, town-hall meetings, consultation with student government and professional school organization leaders, flyers, interviews, and focus groups, among other methods. Solicitation of faculty feedback was carried out through direct email, town-hall meetings, and discussion during regularly scheduled meetings of faculty. Lacking current students, the one new program consulted with the applicable professional student organizations and the Graduate Student Association, and also convened focus groups of students and student leaders to discuss the plan and solicit feedback.

Both faculty and students want to be affiliated with high-quality professional degree programs and generally share similar views as to what sustaining or enhancing quality entails. They also share similar concerns about the potential impact of tuition and fees and the high cost of living around many campuses on (a) a program's ability to enroll a socioeconomically diverse student body, (b) the ability of program graduates to repay their student loan debt – particularly those graduates who choose relatively low-paying careers, like many careers in public service, and (c) the lack of financial aid options for students in professional programs like nursing, in which students are only eligible for higher-interest, unsubsidized loans. Discussion of these matters during consultation is reported to lead to outcomes such as a decrease in the proposed PDST level; expanded plans for fundraising; greater allocation of PDST funds to financial aid; recognition that UC's costs are comparable to (and often lower than) those of other programs that students would also find attractive; and adjustments to the proposed uses of the PDST.

Programs report that to varying degrees faculty were supportive of the proposed PDST increases and new PDST charges presented to the Regents. The proposals were considered necessary in order to support program quality and stability, although concern was expressed about their impact on student access and affordability. To varying degrees, students in the affected programs expressed concerns about the impact of PDST levels (often in concert with increases in other tuition and fees and high cost of living) on access and student debt. There was also concern about the nature of the consultation, with students often feeling that they were being told about the plan, rather than being asked to participate in the process. Students also urged the University to reduce administrative costs and provide additional financial aid in order to minimize the impact of PDST levels on the most vulnerable students.

2016-17 PDST LEVELS TO BE SUBMITTED TO THE PRESIDENT FOR APPROVAL

Under the Long-Term Plan for Professional Degree Supplemental Tuition approved by the Regents in November 2014, the President is responsible for 2016-17 PDST levels for the 60 graduate professional degree programs that have previously been approved to charge PDST in 2016-17 and that are not proposing a PDST increase that exceeds five percent. The programs vary in whether they propose an increase or no change, and whether proposed changes are the same or different for California residents and nonresidents. Of the 60 programs, 41 propose an increase for 2016-17 at five percent or less; the remaining 19 programs propose no change to their current 2015-16 levels. All 41 graduate professional degree programs whose proposed changes in PDST levels for 2016-17 would be subject to approval by the President have a multi-year plan on file and must demonstrate a strong rationale for any increase in PDST levels. Once Office of the President staff have completed review of all 41 programs seeking to increase PDST in 2016-17, recommendations will be submitted to the President for her decision. A report of final PDST actions for 2016-17 would be submitted to the Regents soon thereafter.

(Attachment)

Attachment 1: 2016-17 Proposed Professional Degree Supplemental Tuition (PDST) Levels for Nursing Programs and New PDST Programs

Programs Proposing to Assess PDST Charge for the First Time

	Proposed 2016-17 PDST Charge Levels	
	<u>Resident</u>	<u>Nonresident</u>
Biomedical and Translational Science		
Irvine	\$10,491	\$10,491
Public Policy		
San Diego	8,376	8,376

Programs Proposing to Increase PDST Levels by More Than Five Percent

	<u>Residents</u>				<u>Nonresidents</u>			
	<u>2015-16 Charge</u>	<u>Proposed Increase (\$)</u>	<u>2016-17 Charge</u>	<u>2016-17 Charge</u>	<u>2015-16 Charge</u>	<u>Proposed Increase (\$)</u>	<u>2016-17 Charge</u>	<u>2016-17 Charge</u>
Nursing								
Davis	\$10,029	\$801	8%	\$10,830 (a)	\$10,029	\$801	8%	\$10,830
Irvine	10,029	801	8%	10,830 (a)	10,029	801	8%	10,830
Los Angeles	10,029	801	8%	10,830 (a)	10,029	801	8%	10,830
San Francisco	10,029	801	8%	10,830 (a)	10,029	801	8%	10,830

(a) Total charges for UC students who are California residents are expected to exceed the average of the projected in-state total charges for comparator programs in public institutions.