

Student Fees & The Mission of Boalt Hall

Christopher Edley, Jr.

Dean & Professor of Law

U.C. Berkeley, Boalt Hall School of Law

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Boalt's Mission

- 1. Excellence in the preparation of leaders for the profession and all of our communities**
- 2. Excellence in the production of knowledge**
- 3. Harnessing that excellence so that we are powerfully engaged in addressing the most difficult and important challenges facing the public and private sectors in California, the nation and the world -- *Making a difference.***

Context for New Financial Model

- ***Old financial model*** financed top-five excellence with (a) substantial state funding, (b) tuitions at 1/3 of market, and (c) minimal fundraising/endowment.
- ***Current financial model*** of sharp state cuts offset by higher tuition cannot sustain excellence. 15 years of “subsistence”, low-investment budgeting has created dangerous disparities with competitors.
- ***New financial model*** must support the investments needed to restore/sustain competitiveness, and must be politically realistic.

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- ***The public mission is inviolate. The hard question is: How do we finance it, given the realities?***

Why Did Boalt Hall Slip in the US News Rankings?

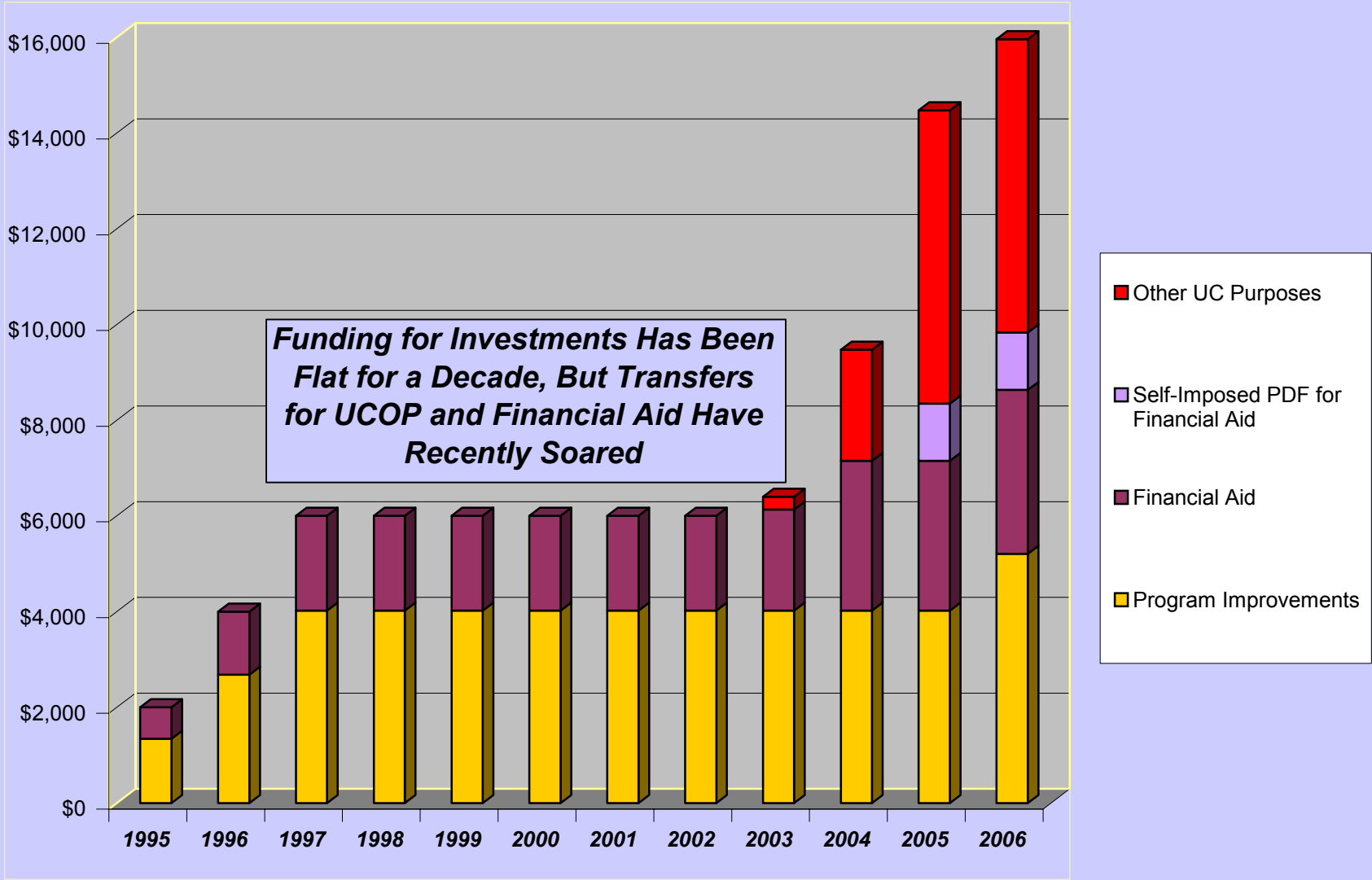
Comparisons With Top 10 Institutions

Rank	School	Overall Score	Student / Faculty	Tuition 2004
1.	Yale	100	7.9	36,490
2.	Harvard	94	11.3	34,568
3.	Stanford	93	9.5	34,230
4.	Columbia	89	11.2	37,256
5.	New York	86	11.2	36,768
6.	Chicago	82	10.1	34,419
7.	Pennsylvania	81	13.1	34,988
8.	<i>Virginia</i>	<i>80</i>	<i>13.6</i>	<i>26,100</i>
8.	<i>Michigan</i>	<i>80</i>	<i>16.0</i>	<i>29,358</i>
10.	Northwestern	79	12.5	35,896
11.	Cornell	78	10.7	35,342
11.	Duke	78	11.7	34,574
11.	Berkeley	78	18.3/14.4	21,531

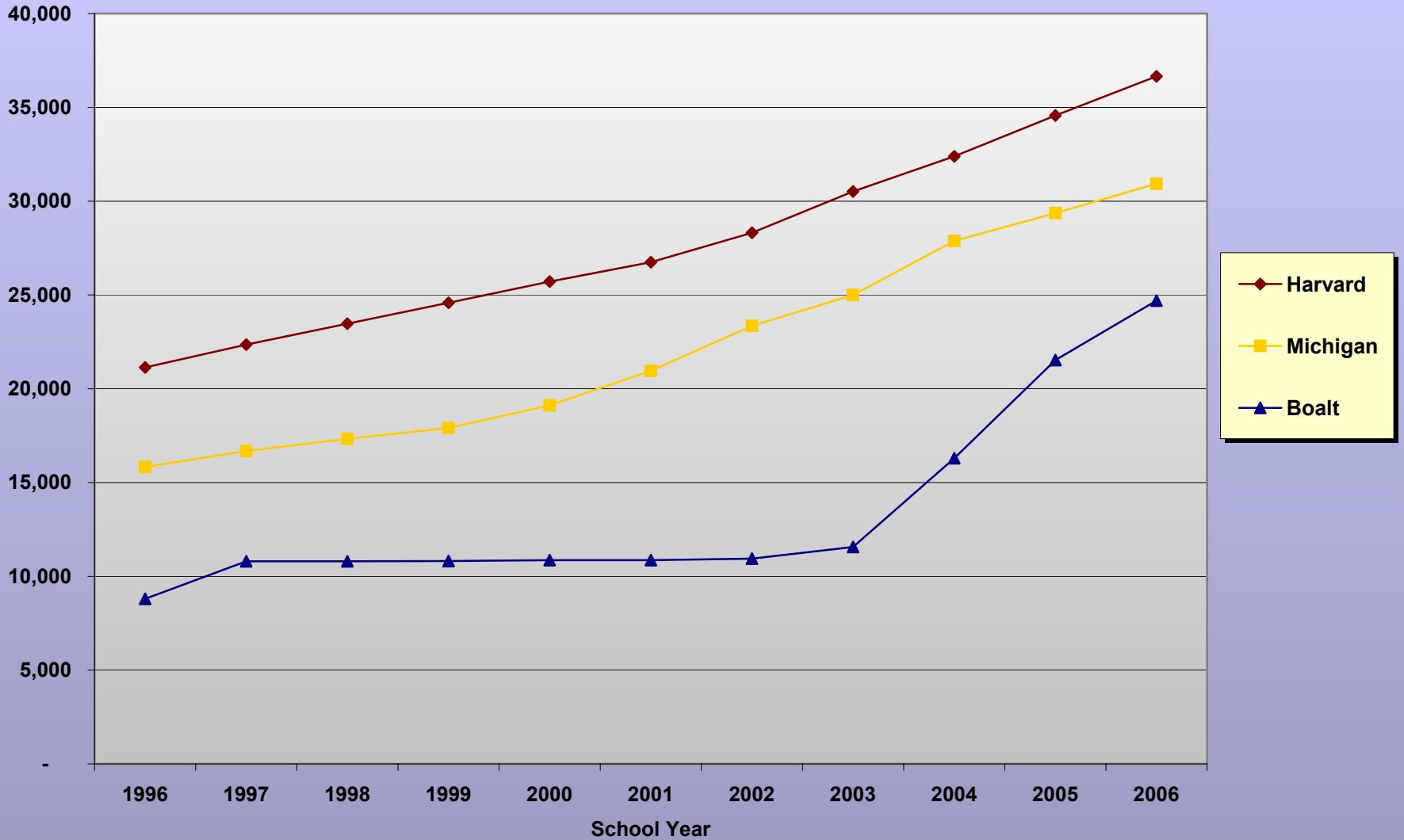
*Boalt ranks 51st in its student / faculty ratio. Due to a quirk in the ranking schema, Boalt can count faculty for its PhD program in Jurisprudence & Social Policy (JSP) program in its ratio, while not including JSP students. No other law school has a similar advantage. Without this anomaly our ranking is 128th.

Avg. Spending -- "Top 10" Privates	\$51,220
Avg. Spending -- "Top 10" Publics	\$36,234
<i>Boalt Hall Spending per Pupil</i>	\$31,389

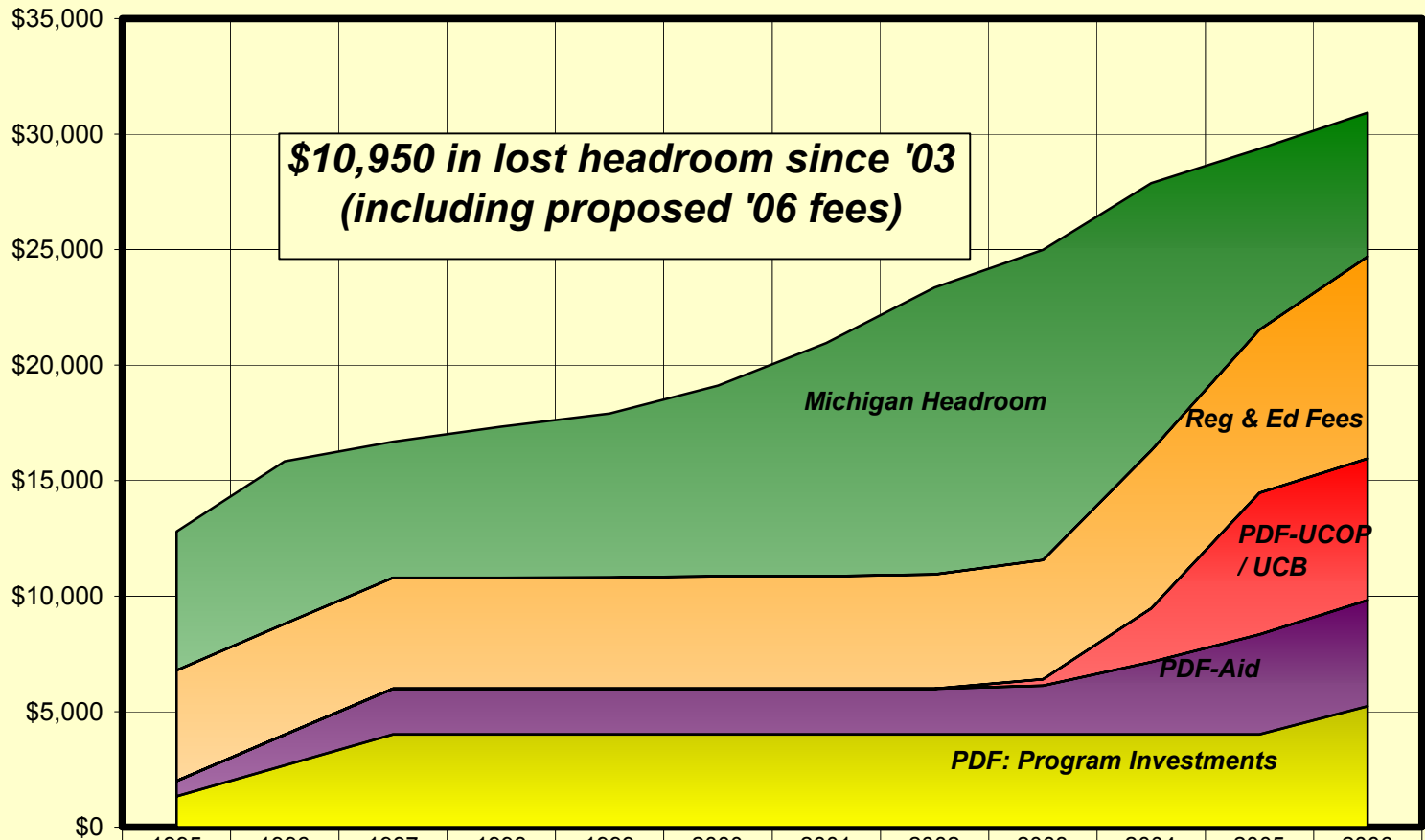
PDF Sources & Uses Over Time



Tuition Increases Over Time



Boalt Fees & Headroom Over Time



**\$10,950 in lost headroom since '03
(including proposed '06 fees)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Michigan Delta	6,000	7,030	5,878	6,532	7,096	8,252	10,092	12,406	13,430	11,590	7,827	6,233
UCB Reg & Ed, & Misc. Fees	4,793	4,801	4,801	4,801	4,815	4,865	4,865	4,945	5,162	6,820	7,058	8,736
PDF: UCOP									268	2,328	6,128	6,128
PDF: Financial Aid	660	1,320	1,980	1,980	1,980	1,980	1,980	1,980	2,112	3,126	4,325	4,595
PDF: Program Investments	1,340	2,680	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020	4,020	5,236

Comparative Commitment: Access and Affordability

Financial Aid Spending Per Student:

Boalt Hall devotes a higher percentage of its budget to financial aid than its competitors. (2003-04, latest available data)

Realistic financing will increase costs for Boalt's students, but our commitment to student access is exemplary and unwavering.

School	Financial Aid Spending Per Student	Financial Aid as % of Tuition
Average Top 10 Private	7,373	22%
Average Top 10 Public	4,665	18%
Boalt	\$6,048	37%

Based on Confidential ABA Reports.

Principles & Conclusion

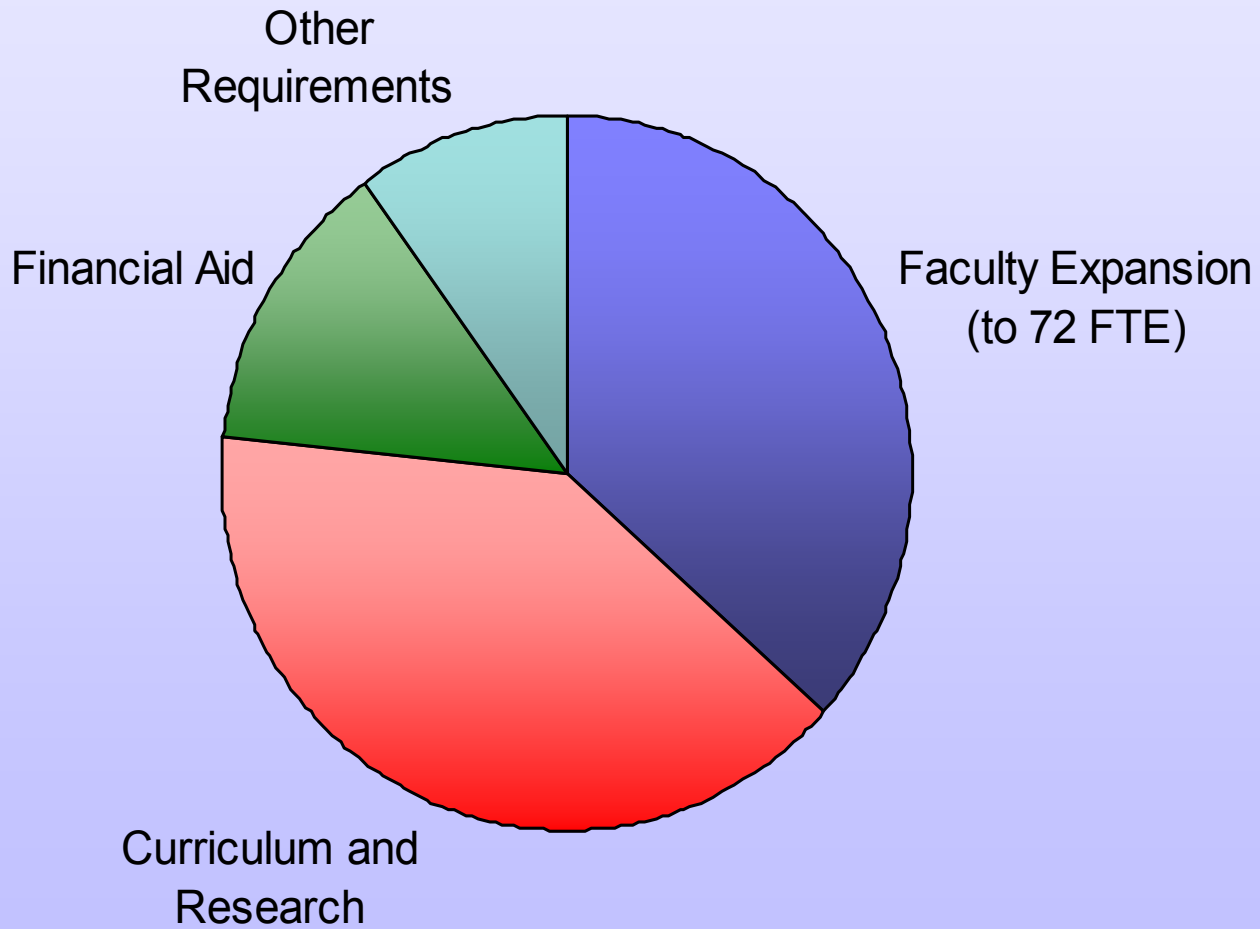
- **Our Mission is Clear** – Excellence in the preparation of leaders for the profession and our communities; excellence in multidisciplinary production of knowledge; harnessing this excellence to make a difference in California, the nation, and the world.
- **Facing Reality** – The old model of financing this mission will not work. We need burden sharing to make investments for competitiveness.
- **Fees Are Indispensable** – We must be able to move toward market rates, with reinvestments in financial aid to maintain access and career choice.
- **Our Future is Threatened** – Diversion of tuition headroom for other purposes is a clear risk to Boalt's future.

[End]

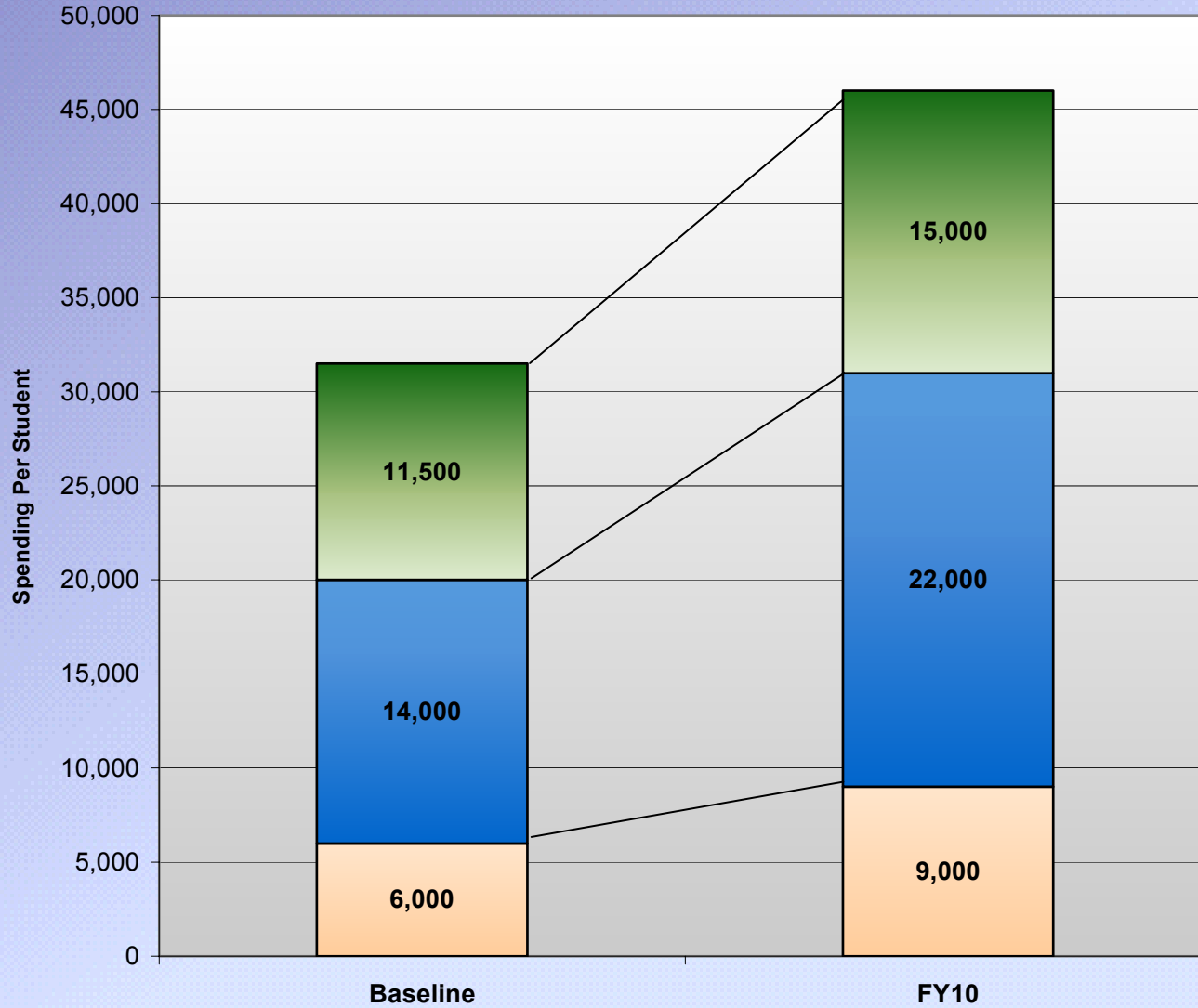
Investment Priorities and Annualized Cost

Investment Elements	Annual Cost
Faculty Expansion to 72 FTE (12.5 ratio)	\$5.5M
Financial Aid	\$2.0M
Curriculum & Research Improvements	\$6.0M
Other Requirements	\$1.5M
Facilities Rehab & Construction (\$50M)	\$2.0M
Total Annualized Investment	\$15M

Investment Priorities



Boalt Strategic Plan -- Burden-Sharing Among Stakeholders



- State Support**
 19900 Funds

State Funding Increases w/ Faculty FTE and other support.

- PDF**

Tuition and Fees are Increased to 5K Below Market Value.

- Private Income**

Capital and Annual Campaigns Increase Private Income.

**Baseline includes funding up to the approved 56.5 Faculty FTE.*