Professional Degree Program
Compliance With Requirements Related to Fees and Affordability

April 15, 2009

Context

The University of California Policy on Fees for Selected Professional School Students establishes a professional degree fee (PDF) “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 policy also sets conditions regarding the use of the fee, 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.

In September 2007, The Regents of the University of California approved Item J-1 (Committees on Finance and Educational Policy), which endorsed three-year plans and approved 2008-09 PDF levels for each program that assesses a PDF. This item (referred to as Item J-1 throughout this document) also introduced a new requirement for any program whose fee proposal includes an increase in the PDF greater than six percent, or in excess of the percentage increase in the Educational Fee for a given year. Under Item J-1, any program that proposes such an increase “must submit a plan, endorsed by its chancellor, describing the 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.”

This report reviews the compliance of the professional degree programs’ plans with this new requirement.

Preparation and Submission of Program Plans

Each professional degree program submitted a multi-year fee plan encompassing 2009-10, 2010-11, and 2011-12, endorsed by the campus’ Chancellor, to the Office of the President in response to the requirements described above. The plans reflected the work of many contributors, including senior program leadership (deans, associate deans, etc.), campus budget officers, and program and/or campus financial aid directors.

Evaluation of Program Plans

Item J-1 requires each plan to include the following components:

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1 The multi-year plans submitted by two new programs, Public Policy at Irvine and Physical Therapy at San Francisco, encompassed only the 2010-11 and 2011-12 academic years as the programs do not propose charging professional degree fees in 2009-10.
1. A description of the academic and/or programmatic reasons for the requested increase;
2. Consideration of all of the following:
   a. Front-end financial aid such that needy students are able to pursue their academic and summer interests without regard to financial considerations;
   b. Loan forgiveness programs for low-paying public service jobs;
   c. A strategy for inclusion of underrepresented groups;
   d. A detailed marketing and outreach plan to explain financial aid and loan forgiveness;
3. Assurances that in-state fees charged by any state-supported programs will be at or below the total tuition and/or fees charged by comparable degree programs at other comparable public institutions; and
4. Information about the views of students and faculty on the proposed increase.

Under Item J-1, these requirements apply only to programs proposing a fee increase of greater than six percent, or in excess of the percentage increase in the Educational Fee for a given year. However, the Office of the President requested all programs to submit information related to these requirements and included all programs in its review, regardless of the proposed increase.

Program compliance with each of these components is described below.

**Description of the academic/programmatic reasons for the requested increase**

Along with its initial multi-year fee plan, each program provided a description of the goals and objectives that served as the rationale for its proposed multi-year plan.² The specific goals and objectives vary by program, but commonly cited factors included:

- Improving faculty compensation packages in order to expand, recruit, and/or retain a first-class faculty;
- Improving students services, including access to career counseling, adequate technological resources, and expanded international and experiential opportunities; and
- Maintaining and/or enhancing the quality of its academic programs.

**Front-End Financial Aid**

Each program 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 articulated by The Regents in 1994. Programs differ in the details of their awarding strategy. For example:

- Most programs provide a combination of need- and merit-based aid, but the mix varies by program. For example, business programs generally expect students to have several years of full-time work experience when they enroll. As a result, these programs tend to enroll a

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² Berkeley’s Medicine program did not submit goals and objectives as the program is not proposing any increases in its professional degree fees over the next three years.
smaller percentage of low-income students and, hence, award a larger portion of their front-end financial aid on the basis of merit.

- Certain programs set aside a portion of their awards for continuing students in order to insulate these students from the effect of a fee increase. Others focus on financial need and make no distinction between new and continuing students in their award policies.

Programs also differ in the amount of aid that is available to students over the summer. The differences are closely tied to the academic and/or experiential role that summer plays in each program. For example:

- Programs that include a summer enrollment term (e.g., medicine, veterinary medicine, and public health programs) typically provide students with access to the same financial aid that is available during the standard nine-month academic year.

- Programs in which summer plays a major experiential role or where summer internships are important precursors to postgraduate career opportunities (e.g., programs in business, law, and public policy) typically provide funding for students seeking low-paying or volunteer internships in the public interest.

- Programs with neither a summer enrollment component nor any expectation regarding students’ summer experiences often do not provide summer funding.

To monitor each program’s ability to enroll a socioeconomically diverse student body, the Office of the President has begun tracking trends in the ethnic diversity of each program and in the diversity of the economic background of each entering class (as measured by the percentage of students who, as undergraduates, received a Pell Grant).

**Loan Forgiveness Programs**

Four programs (all three existing law programs and one business program) described their loan forgiveness programs for students who enter qualifying public interest/public service employment upon graduation. All four programs expect increased utilization of these programs and have increased their budgets for these programs accordingly.

Programs in the Health Sciences, while not offering such programs themselves, cited various federal programs that provide loan repayment assistance to physicians and other health practitioners who serve medically underserved populations.

In general, however, other programs have chosen to target their financial aid resources on providing up-front financial aid in the form of grants and fellowships to current students. The rationale for this approach, along with descriptions of other ways in which these programs foster interest in public service work, are described in a 2006 report entitled *Approaches to Fostering Public Interest Employment in UC Graduate Professional Schools.*

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Financial Aid Marketing and Outreach Efforts

All programs communicate information about financial aid availability and eligibility to prospective applicants and enrolled students through a number of different means. Nearly all programs rely on their website and marketing brochures as the first and most frequent point of contact for detailed financial aid information for prospective students. Three programs indicated they would enhance their website to include more information about average award size and average debt at graduation. Admissions staff members at most of the programs also participate in recruiting events at high schools, colleges, and other organizations within California and nationwide where they present information on financial aid and program affordability to prospective students. Some other examples of how programs communicate information about financial aid include:

- Providing specialized training to admissions staff so that they can respond to applicants’ questions about financial aid during the admissions interview;
- Hosting an open house for newly admitted or prospective students where information on financial aid is presented and distributed in the form of brochures;
- Providing newly admitted students with early financial aid offers so they can better assess the cost of attendance and potential debt associated with the programs; and
- Providing comparative information about financial aid and average student loan debt compared to programs at other universities.

Strategy for Inclusion of Underrepresented Groups

Every program articulated a strategy for promoting the inclusion of students from underrepresented groups in their outreach, admissions, and/or financial aid awarding process. Some key examples include:

- Increased recruitments efforts (including discussions of financial aid) at colleges with high populations of underrepresented minority students;
- Setting aside additional PDF revenue to fund students from disadvantaged socioeconomic backgrounds;
- A separate conditional early admissions process for students attending colleges that serve a high proportion of disadvantaged students;
- Collaborating with national organizations that serve underrepresented students (e.g. National Society of Hispanic MBAs) to sponsor recruiting events and provide financial support;
• Sponsoring and hosting outreach and academic preparation programs that provide disadvantaged high school and undergraduate students with skills to succeed in graduate professional school as well as information about degree programs and career paths; and

• Mentoring programs that match new students to a student with a similar background and experience profile.

**Faculty and Student Perceptions**

Students and faculty have expressed their opinions of the proposed fee increases in meetings with Deans and school administrators and through letters or emails addressed to school administrators. In general, they have expressed concern over the potential impact of the proposed fee increases on diversity, access, student debt, and on restricting the career paths of those interested in pursuing public interest careers. In most cases, however, these concerns have been ameliorated by an understanding of the necessity of the fee increases, which will expand resources in financial aid and additional outreach and support to underrepresented students.

New programs indicated their intent to provide mechanisms for faculty and student feedback about fee proposals in the future.

**Fee Comparisons**

The Policy on Fees for Professional School Students adopted by The Regents at their July 2007 meeting provides that a number of factors be taken into consideration when setting fees, including total tuition and fees charged by comparable degree programs at public and private institutions.

Item J-1 modified the July fee policy by requiring the President to review the fee levels of each program requesting increases in the professional degree fee greater than six percent to assure that estimated in-state charges for any degree program receiving state support will be at or below the total in-state tuition and/or fees charged by comparable degree programs at other public institutions.

All programs (with the exception of Riverside’s Medicine program, which does not compare to any other programs in the United States) identified comparison programs of high quality at public institutions across the nation for this analysis. The most frequently cited factors include:

- Comparability of the academic program;
- Competition for students and/or faculty;
- Current position in national rankings; and
- Programs with which they aspire to compete successfully.

As in the past, campuses have raised a number of issues regarding this aspect of Item J-1 as they have developed their plans:
• Campuses are unclear about the rationale for capping in-state program charges to those at comparable public institutions and the interpretation of such comparisons. As at UC, public institution tuition levels are typically driven in part by the level of state support received by the program. Although obtaining actual levels of state support for public professional education would be extremely difficult, it does appear that such support varies across states. Thus comparing UC in-state fees with those at public institutions in others states may often just reflect the degree of state subsidy of those programs and not the level or adequacy of the financial resources at their disposal. Certainly, this is the case with UC fees. Past declines in State support for UC professional degree programs have led to a greater reliance on revenue from the professional degree fee to maintain quality and access. A reduction in State support for UC professional degree programs led to the establishment of the fee in 1994. Since that time, the level of state support for these programs has continued to erode. Although the July 2007 policy calls for programs not to raise professional degree fees to offset future state cuts, it cannot undo the impact of the prior loss of state funds.

• The amount and type of financial support that can offset the impact of the fees varies among institutions. Thus fee levels of programs in other states need to be considered within the context of net cost, taking into account offsetting financial aid, as well as the “sticker” price.

• Making such a comparison for 2009-10 fees requires making certain assumptions about fees at other institutions, many of which will have not established fees in time to influence the development of UC programs’ fee plans. For 2009-10, UC programs were instructed to assume a relatively conservative 5 percent increase in charges at other institutions. To the extent that actual increases at these other institutions exceed 5 percent, the “cap” applied to UC programs under this assumption will be artificially low.

Overall, in-state charges for 24 of the 36 UC programs that plan to charge professional degree fees in 2009-10 are expected to be below the average charged by comparable degree programs at other public institutions. These include all programs in the disciplines of Law, Business, Medicine, Nursing, International Relations and Pacific Studies, along with Pharmacy at San Diego and the Public Health and Public Policy programs at Los Angeles.

For the remaining 12 programs that will charge professional degree fees in 2009-10, estimated in-state fees are expected to exceed the estimated charges at their public comparison institutions for 2009-10 by varying amounts (assuming a 5% increase in the estimated charges as discussed above). In some cases, the amount by which the program’s total fees exceed the average of comparable institutions is small and may disappear entirely once these other institutions finalize their 2009-10 fee levels. In other cases, however, the difference is substantial.

Summary

Consistent with the principal requirement set forth in Item J-1, each professional degree program under review submitted a plan “describing the 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.”

Of the 36 programs planning to charge professional degree fees in 2009-10, all but 12 programs also satisfied the specific requirement that total in-state charges for the program may not exceed those for comparable programs at comparable public institutions. For the other 12 programs, however, the proposed 2009-10 professional degree fees included in their three-year plans would result in total charges that are likely to be inconsistent with this requirement. Consequently, an exception to the policy is being sought to align these programs’ proposed 2009-10 fee levels with this provision of Item J-1.