

Office of the President

TO MEMBERS OF THE COMMITTEE ON LONG RANGE PLANNING:

ACTION ITEM

For Meeting of November 19, 2014

**APPROVAL OF LONG-TERM PLAN FOR PROFESSIONAL DEGREE
SUPPLEMENTAL TUITION AND OF PROPOSED 2015-16 PROFESSIONAL DEGREE
SUPPLEMENTAL TUITION FOR NINE SPECIFIC PROGRAMS**

EXECUTIVE SUMMARY

In 2014-15, Professional Degree Supplemental Tuition (PDST) is charged to students in 59 graduate professional degree programs in 35 disciplines. This item makes three requests of the Regents pursuant to Regents Policy 3103: Policy on Professional Degree Supplemental Tuition.

First, the Regents are asked to authorize the President of the University to approve increases in PDST for graduate professional degree programs for the years 2015-16 through 2019-20, provided that no increase exceeds five percent of the prior year's PDST amount, and, consistent with the authority already delegated to the President of the University, to approve all decreases.

Second, the Regents are asked to authorize a 20 percent increase effective 2015-16 for Nursing graduate professional degree programs offered on four campuses (Davis, Irvine, Los Angeles, and San Francisco).

Third, the Regents are asked to authorize new PDST effective 2015-16 for five graduate professional degree programs: Journalism at Berkeley, Leadership Education at Berkeley, Public Policy at Riverside, Teacher Education at Berkeley, and Technology Management at Santa Barbara.

RECOMMENDATION

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

1. Authorize the President to assess 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 assess any annual

decreases. The President may approve individual increases as exceptions to Regents Policy 3103: Policy on Professional Degree Supplemental Tuition so long as the increase does not exceed five percent over the previous year. Annual changes in PDST will vary by program, and the President of the University will report annually to the Regents on approved increases and 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 will be required to submit a proposal for approval by the Regents under the existing process.

2. Authorize an increase in Professional Degree Supplemental Tuition of 20 percent in 2015-16 for the Nursing graduate professional degree program on all four campuses that offer the degree (Davis, Irvine, Los Angeles, and San Francisco).
3. Authorize initiation of Professional Degree Supplemental Tuition for five graduate professional degree programs – Journalism at Berkeley, Leadership Education at Berkeley, Public Policy at Riverside, Teacher Education at Berkeley, and Technology Management at Santa Barbara – at the levels indicated in Attachment 1. The first four programs are to be authorized as an exception to Policy 3103, as in-state charges for these programs are expected to exceed average in-state charges at programs at public comparison institutions.

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 and is assessed in addition to mandatory systemwide charges and, if applicable, Nonresident Supplemental Tuition. PDST levels during 2014-15 range from \$4,000 to \$38,548, 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 PDST 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 concert with the tuition and financial aid stabilization plan described in item L3, *Approval of Long-Term Stability Plan for Tuition and Financial Aid*, a five-year PDST plan will provide a measure of predictability that programs charging PDST have not had for many years. Students as well as programs have been severely challenged in their planning and decision-making processes by the uncertainty each year around tuition levels and the funding available to support the program. A stable, multi-year plan will allow students to make more informed decisions and programs to move forward in their efforts to ensure the excellence of their programs.

Five-Year Plan for Increases in Professional Degree Supplemental Tuition

Since the inception of PDST in the mid-1990s, swings in State support have affected PDST levels – either directly, when PDST increases are required to backfill lost State revenue, or indirectly, since decisions about mandatory systemwide charges (Tuition and the Student Services Fee) influence programs’ decisions about PDST.

PDST levels for the vast majority of professional degree programs have not increased since 2012-13, even while the cost of providing these programs has continued to rise, resulting in widespread concern about these programs’ ability to maintain quality without sufficient resources. Some costs are mandatory: UC Retirement Plan (UCRP) contributions and benefits costs have risen significantly, as have non-salary costs. If a program does not have new revenue to cover these unavoidable costs, the effect is the same as a budget cut, leading to loss of program quality. In addition to supporting mandatory cost increases, PDST revenue allows for additional student financial aid, faculty salary adjustments, expansion of instructional support staff, an improved student-faculty ratio, enhanced instructional equipment, and expansion or renewal of facilities. Freezing PDST is thus doubly harmful to programs. Not only are they unable to improve quality, they also face the threat of *loss* of quality through having to direct existing resources to unavoidable cost increases.

A second benefit of stable, modest increases is the ability for programs and students to plan. If a program can estimate the upper limit of new PDST revenue over a period of five years, it can prioritize its needs and address improvements or initiatives on a multi-year horizon, rather than the stop-and-start pattern that has characterized PDST in recent years. Greater predictability about PDST levels will give students a better sense of the cost of a program and lessen the likelihood that planned improvements to the program (e.g., a planned new staff member to provide career counseling) will fall through.

In order to improve the predictability of students’ charges, to allow multi-year planning for programs, and to provide modest annual increases in the resources available to these programs, the Regents are asked to authorize the President of the University to approve proposals to increase PDST levels for years 2015-16 through 2019-20, provided that the increase represents five percent or less of the program’s PDST level during the prior year. Such a plan would help programs to develop long-term funding plans, determine financial aid awards, and extend offers of admission. As the authority has already been delegated, the President would continue to be authorized to approve those few instances in which a program wishes to decrease its PDST.

Professional Degree Supplemental Tuition Proposals

In accordance with the 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 low-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 reconsider efforts and submit revised proposals. Unless a program requests an increase in any year above the level originally submitted in its multi-year plan, programs are required to submit short-form proposals indicating the requested level and showing that it is less than or equal to that in the multi-year plan. (Programs choosing to request an increase above the multi-year plan must submit a new multi-year plan to be reviewed by the Office of the President.)

Each of the PDST levels proposed for 2015-16 was submitted as part of a multi-year plan as required by the Provost; for programs with a multi-year plan already on file, a short-form proposal was submitted. All were subjected to rigorous review by Office of the President staff members and met or exceeded the standards of the Provost. For 2015-16, campuses have proposed that 64 graduate professional degree programs charge PDST. Of these, four Nursing programs require Regental approval because the increase from 2014-15 is greater than five percent, and five require Regental approval because they are new PDSTs. Approval of the remaining 55 would be the President's responsibility in accord with the Long-Term Plan for Professional Degree Supplemental Tuition proposed in this item.

2015-16 PDST LEVELS SUBMITTED TO THE REGENTS FOR APPROVAL

2015-16 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 20 percent (as shown in 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. Now, amidst the current fiscal crisis, Nursing schools 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. The programs will be expected to submit new plans for 2016-17 through 2019-20 that support their quality and affordability goals and include, as needed, moderate and predictable increases in PDST.

2015-16 New PDST for Five Graduate Professional Degree Programs

New PDSTs are proposed for five graduate professional degree programs on the Berkeley, Riverside, and Santa Barbara campuses. (See Attachment 1) Three of these programs are longstanding and two are 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 2015-16, these five programs addressed all aspects of the Policy 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 five programs proposing to charge PDST for the first time in 2015-16 follow.

- **Journalism** (Berkeley). The Master of Journalism is an established two-year program offered by the School of Journalism. It offers prospective journalists the opportunity to acquire skills necessary to research and produce topical accounts and in-depth reports using an array of powerful communication technologies. PDST revenue will provide support primarily for financial aid and instructional support staff, as well as for instructional equipment purchases, facilities expansion, and faculty salary increases.
- **Leadership Education** (Berkeley). The Graduate School of Education houses the Principal Leadership Institute program which provides research-informed knowledge for school leadership. This 15-month existing Master's of Arts program for aspiring school-level leaders also satisfies the requirements for California's Preliminary Administrative Services Credential. Graduates fill positions as school principals and assistant principals. PDST revenue for this program will fund student financial aid and improve the

educational quality of the programs by expanding the field coach program, improving program staffing ratios, and enhancing technology uses and equipment.

- **Public Policy** (Riverside). The Master of Public Policy within the School of Public Policy is a new two-year program that seeks to prepare students for careers in government, politics, and public affairs within public, non-profit, or private sectors. The School of Public Policy is cultivating donors to generate scholarships for students applying for fall 2015. Currently, it is projected that 33 percent of the revenue generated by the PDST will go back to students in the form of financial aid. If the School of Public Policy is unable to generate scholarships through donor cultivation, a larger portion of the PDST revenue will be used for financial aid for 2015-16. If donor cultivation is successful, the PDST will be used to fund an internship and career services placement coordinator.
- **Teacher Education** (Berkeley). The Graduate School of Education offers a 15-month to two-year (depending on the program area) terminal Master's of Arts and Preliminary Teaching Credential preparing students for licensure in various academic fields and student levels. It emphasizes the research-informed knowledge base that supports a successful career in teaching. Content and curriculum, together with clinical field preparation, are guided by California state professional learning standards and require students to complete performance assessments and conduct an inquiry project on a problem related to their professional practice and teaching context. PDST revenue will be used primarily for financial aid (slightly over 50 percent of PDST revenue), as well as for expanding instructional staff and field training.
- **Technology Management** (Santa Barbara). The Master of Technology Management within the College of Engineering is a new one-year program in business and engineering management for scientists and engineers. An alternative to a traditional MBA, it targets students with strong technical backgrounds and focuses specifically on managing technical innovations. PDST revenue will be used for new course and project offerings, faculty salaries, increased instructional support staff, financial aid, and improved student facilities and instructional equipment. Without PDST revenue, the College will not be able to launch the program.

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 aspirational peers.

Programs requiring Regental approval of 2015-16 PDST levels have identified comparison programs of high quality at public and private institutions across the nation for the marketplace analysis.

The four Nursing programs each identified the same set of comparison programs, all of which were at public institutions. 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.

Each of the five programs that propose to charge PDST for the first time in 2015-16 – Journalism at Berkeley, Leadership Education at Berkeley, Public Policy at Riverside, Teacher Education at Berkeley, and Technology Management at Santa Barbara – 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. When compared only to programs at public institutions, however, total in-state charges for four of the five UC programs will exceed the estimated average total charges among their public comparison programs. The total charges for California resident students in the Technology Management program is less than the average total charges of its 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 five programs, and as an exception to policy for four of the five programs.

Uses of Revenue from Proposed PDST Increases or New PDST

As part of their multi-year plans, the nine programs requiring Regental approval for PDST levels in 2015-16 submitted three-year plans describing how the new PDST revenue reflected in their plans would be utilized. Display 1, below, summarizes how programs planned to use this revenue in 2015-16 based upon expenditure categories provided by the Office of the President.

**DISPLAY 1: Projected Expenditures of New Professional Degree Supplemental Tuition Revenue
for Nine Specific Programs, 2015-16**

<u>Expenditure Category</u>	<u>Share of Revenue</u>
Additional Student Financial Aid	47.8%
Faculty Salary Adjustments	16.7%
Expanded Instructional Support Staff	10.4%
Improved Student-Faculty Ratio	7.4%
Program Enhancements	4.2%
Other Non-salary Cost Increases	3.2%
Instructional Equipment Purchases	2.8%
Benefits Cost Increases	2.6%
UCRP Contributions	1.2%
Facilities Expansion/Renewal	0.3%
<u>Other</u>	<u>3.3%</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 nine programs requiring Regental approval of PDST levels in 2015-16 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 visits to middle schools, high schools, and community colleges, conventions, forums, and fairs, campus and community visits, designation of a chief diversity officer to lead more comprehensive recruitment efforts, and more. Specific examples include the following:

- The Journalism program at Berkeley has created a new staff position whose primary responsibility is outreach. The program has several new initiatives, including new collaborations with advisors from colleges and universities with greater numbers of underrepresented students and increased support for recently established student chapters

of the National Association of Hispanic Journalists and the National Association of Black Journalists.

- Berkeley's Leadership Education and Teacher Education programs (both part of Berkeley's Graduate School of Education) plan to develop a strategic plan for equity and diversity – a component of which will be a more comprehensive approach to diversifying student enrollment in all programs – and anticipate developing and marketing online information opportunities (e.g., recruitment webinars). The Leadership Education program current enrolls about 35 percent students who are underrepresented minorities.
- Riverside's Public Policy program anticipates attracting its own diverse undergraduate student body (about 40 percent underrepresented minorities and 35 percent Asian/Asian American).
- Santa Barbara is an emerging Hispanic Serving Institution, awarding 37 percent more science, technology, engineering, and mathematics (STEM) baccalaureate degrees to Chicano/Latino students than the national average. New or recent graduates, along with engineers with some prior industry experience, are the two types of students expected to enroll in the program. Also, engineering students are being connected with their Engineers Without Borders program.
- Davis' Nursing program 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.
- Irvine's Nursing program is participating in the California's Student/Resident Experience and Rotations in Community Health (Cal-SEARCH) program, designed to increase the recruitment and retention of culturally competent, community-oriented health professionals in California's community clinics and health centers by providing health profession students/residents with clinical experiences linked to preceptors, mentors, and community projects.
- Los Angeles' Nursing program supports the Pan African Nursing Student Association (PANSA) and the School of Nursing Alumni Association. These two organizations assist in recruiting and retaining underserved populations in the School of Nursing and promote networking opportunities and visibility to further educational goals.
- At San Francisco, Nursing program staff 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.

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 support to underrepresented students. Each multi-year plan described efforts to solicit student and faculty input on the PDST proposal.

The nine 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 two new programs consulted some combination of campus undergraduate students majoring in relevant fields, campus graduate students in similar fields, alumni in relevant fields, and individuals indicating interest in the proposed program. At least one of the three established professional degree programs seeking to charge a PDST consulted with its alumni.

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 both (a) a program's ability to enroll a socioeconomically diverse student body and (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. 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. 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.

2015-16 PDST LEVELS TO BE SUBMITTED TO THE PRESIDENT FOR APPROVAL

Under the Long-Term Plan for Professional Degree Supplemental Tuition, the President would be responsible for the 2015-16 PDST levels for 55 graduate professional degree programs that

have previously been approved to charge PDST and did so in 2014-15 (Attachment 2). The programs vary in whether they propose an increase, decrease, or no change, and whether proposed changes are the same or different for California residents and nonresidents.

Of the 55 programs, 48 propose an increase for 2015-16; about 40 percent of the proposed increases were initially greater than five percent. With the exception for four Nursing programs, the President determined that PDST increases should not be greater than five percent, consistent with the maximum increase in mandatory systemwide charges under the tuition and financial aid stability plan described in item L3. A brief characterization of the proposed 2015-16 PDST levels for the 55 programs follows:

Resident Charges

- Seven programs propose no increases in PDST levels for resident students in 2015-16.
- Forty-eight programs propose charging PDST levels for resident students with increases between 1.2 percent and five percent in 2015-16. Twenty-two of these programs initially proposed increases greater than five percent, but the increases approved by the President would be capped at five percent pursuant to this item.

Nonresident Charges

- Eight programs propose no increases in PDST levels for nonresident students in 2015-16.
- One program proposes a reduction (\$56) in PDST level for nonresident students in 2015-16.
- Forty-six programs propose charging PDST levels for nonresident students with increases between 1.2 percent and five percent in 2015-16. Twenty-one of these programs initially proposed increases greater than five percent, but the increases approved by the President would be capped at five percent pursuant to this item.

All 48 graduate professional degree programs whose proposed changes in PDST levels for 2015-16 would be subject to approval by the President have a multi-year plan on file and submitted a short form proposal for 2015-16. Once Office of the President staff have completed review of all 48 programs seeking to increase PDST in 2015-16, recommendations will be submitted to the President for her decision. A report of final PDST actions for 2015-16 would be submitted to the Regents soon thereafter.

Key to Acronyms

Cal-SEARCH	California's Student/Resident Experience and Rotations in Community Health
PANSA	Pan African Nursing Student Association
PDST	Professional Degree Supplemental Tuition
STEM	science, technology, engineering, and mathematics
UCRP	UC Retirement Plan

Attachments:

Attachment 1: 2015-16 Proposed PDST Levels for New PDST Programs and Nursing Programs

Attachment 2: 2015-16 Professional Degree Supplemental Tuition Levels for Programs Proposing Increases up to Five Percent, Subject to Approval by the President