

The Regents of the University of California

**COMMITTEE ON EDUCATIONAL POLICY  
COMMITTEE ON FINANCE**

September 20, 2007

The Committees on Educational Policy and Finance met on the above date at Mondavi Center, Davis campus.

Members present:     Representing the Committee on Educational Policy: Regents Allen, Blum, Dynes, Garamendi, Island, Johnson, Lansing, Parsky, and Ruiz; Advisory members Cole and Brown; Staff Advisors Brewer and Johansen  
Representing the Committee on Finance: Regents Blum, Brewer, Dynes, Garamendi, Gould, Hopkinson, Island, Kozberg, Moores, Parsky, and Preuss; Advisory member Croughan; Staff Advisors Brewer and Johansen

In attendance:         Regents Bugay, De La Peña, and Pattiz, Regents-designate Scorza and Shewmake, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Provost Hume, Executive Vice Presidents Darling and Lapp, Vice Presidents Broome, Foley, and Sakaki, Acting Vice President Standiford, Chancellors Birgeneau, Bishop, Block, Blumenthal, Fox, Kang, Vanderhoef, and Yang, Acting Chancellor Grey, and Recording Secretary Smith

The meeting convened at 1:20 p.m. with Committee on Finance Chair Gould presiding.

**APPROVAL OF A THREE-YEAR PLAN FOR PROFESSIONAL DEGREE PROGRAM FEES AND PROPOSED PROFESSIONAL DEGREE FEE INCREASES FOR 2008-09**

The President recommended that:

1. The three-year plan of professional degree program fees, shown in Display 1, be endorsed for planning purposes.
2. The proposed fee increases for 2008-09, also shown in Display 1, be approved for implementation.

In January 1994, The Regents approved a Fee Policy for Selected Professional School Students, authorizing fees for students in selected professional degree programs that are required in addition to mandatory systemwide fees and miscellaneous campus-based fees and, when appropriate, nonresident tuition. In approving the fee 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 school fee revenue, among others. Fee increases in the early years of this decade were used to offset budget cuts, generating no additional revenue for the schools. As a result, professional schools have fallen further behind in their ability to offer competitive salaries to their faculty and staff. Fee increases since 2005-06 have provided new revenue for the schools to cover salaries and other necessary costs. However, the financial circumstances of the schools remain severely strained, and a sustained effort over time will be required for the schools to recover. The University has engaged in longer-term planning to address the needs of professional degree programs.

It is within this context that, at the March 2007 Regents meeting, the Board adopted the principle that fees for professional degree students will be approved by The Regents according to a multi-year plan that is subject to annual reconsideration. At the July 2007 meeting, The Regents' Fee Policy was amended to include that principle. A multi-year plan with regard to fees for professional degree students is a vital and fiscally prudent strategy, providing a more stable planning environment for the professional schools. It allows the schools to consider and act on long-term investment needs such as new faculty positions, facility needs, and financial aid program development. In addition, a multi-year plan provides each degree program with the opportunity to comprehensively analyze their program needs, the costs to address those needs, and the revenue available to support those needs. Finally, multi-year planning allows each program to examine its competitiveness with other institutions on a number of measures, including the "sticker price" of attendance, its financial aid program and its impact on the net cost to students, and other indicia of national competitiveness of the program. At the same time, a multi-year strategy will help inform decision-making by clearly identifying each degree program's goals and objectives and the steps that are needed to achieve them.

The three-year plans as originally proposed by the campuses were presented for discussion at the July meeting. The discussion was wide ranging, and the issues discussed included the need to maintain and improve the quality of the professional degree programs, the need to remain competitive in recruiting the best students and faculty, program marketability, the impact of "sticker shock" of fee levels particularly for low-income and underrepresented students, and cumulative debt at graduation. Building on that discussion, the President and the Provost worked with the chancellors to develop the final fee recommendations presented for planning purposes and approval. Display 1 (attached) provides the proposed annual fee levels. Each proposal was carefully reviewed and analyzed to determine the final multi-year fee proposal recommendations, taking into account the program's stated goals and objectives and its placement within its market, the effect of the fee increases on students and their ability to pay, and the steps that the program intends to take to mitigate the impact of the proposed increases.

***Three-Year Fee Proposals***

The majority of the degree programs originally determined that, within their current marketplace, annual increases in the professional degree fee of 7 percent were sufficient to meet their program goals and objectives for the period 2008-09 through 2010-11. With the concurrence of the chancellors, it was recommended that three-year plans of 7 percent annual increases in the professional degree fee be endorsed for planning purposes for the following programs:

<b>Medicine:</b>	Berkeley, Davis, Irvine, Los Angeles, Riverside, San Diego, and San Francisco
<b>Dentistry:</b>	Los Angeles and San Francisco
<b>Veterinary Medicine:</b>	Davis
<b>Optometry:</b>	Berkeley
<b>Nursing:</b>	Los Angeles, San Francisco, and Irvine (new program beginning in 2009-10)
<b>Theater, Film &amp; TV:</b>	Los Angeles
<b>Public Health:</b>	Berkeley, Davis, Los Angeles, and Irvine (new program beginning in 2008-09)
<b>Public Policy:</b>	Berkeley, Los Angeles, and Irvine (new program beginning in 2008-09)
<b>International Relations and Pacific Studies:</b>	San Diego

At the July meeting, a number of Regents had reservations regarding some proposed fee increases that were significantly higher than 7 percent. Taking into account these concerns, the plans that proposed exceptionally high fee increases have been revised so that the new increases in total fees do not exceed 15 percent annually. Also incorporated into these revisions is a commitment to safeguard access and inclusion in their programs. As part of that commitment and in accordance with the Regents' Policy, each program is using at least 33 percent of the revenue from the fee increases to expand financial aid. To mitigate the impact of the fee increases on access, each program will make substantial augmentations to the grant assistance provided to enrolled students. In addition, each of the law schools has a Loan Repayment Assistance Plan (LRAP) to ensure that student debt does not preclude students from taking employment in low-paying public interest and public service positions. These schools will also be using revenue from the fee increases to augment their LRAPs significantly in order to expand eligibility to more students and improve the amount of the assistance provided. To cushion the impact of "sticker shock," the programs will be more proactive in providing information on these programs and the impact they have on the actual net cost students will pay. On an annual basis, the programs will evaluate the impact of the fee increases on access and inclusion and report back to the Regents on any changes in the demographic mixture of the students who enroll.

**Law.** The President, with the concurrence of the chancellors, recommended that the following plan of increases in the professional degree fee for resident students enrolled in law be endorsed:

Berkeley: approximately 19 percent annually  
Davis: 13 percent annually  
Los Angeles: an average of approximately 17 percent annually

If these fee plans are approved, the increase in total charges (including mandatory systemwide fees and campus-based fees) for resident law students would be as follows. These estimates assume a 7 percent increase in the mandatory systemwide fees.

Berkeley: 15 percent annually  
Davis: approximately 13 percent annually  
Los Angeles: an average of approximately 14 percent annually

A summary of key elements that were used to evaluate each law program proposal was provided to Regents, including a summary of each program's stated goals and objectives, its placement within its market, information on affordability measures, and a summary of the program's financial aid plans.

The campuses originally proposed annual increases in the professional degree fee of approximately 23 percent at Berkeley, average increases of approximately 17 percent at Los Angeles, and increases of 13 percent at Davis. The original campus proposals would have resulted in annual increases in total charges of nearly 18 percent, an average of approximately 14 percent, and 10 percent respectively. These proposed increases were a reflection of the campuses identified needs, the markets within which they compete, and their timetables for achieving their goals.

The President supports the goals and objectives articulated in the original multi-year plans for these programs, and recognizes that meeting these goals will require additional resources over time. The law programs, along with the business programs at Berkeley and Los Angeles, sustained budget cuts at the beginning of this decade that were disproportionate to the cuts sustained by other programs. Those cuts have had long-lasting effects, and it is necessary that fee increases for these programs be higher than those approved for other programs. However, the President had reservations regarding the original proposals. While there were no fee increases in 2006-07, increases in the professional degree fee for law in other years were substantial. Accordingly, a revised phased plan of moderated increases in the professional degree fee that do not exceed 15 percent of total student charges is recommended for these programs to moderate the impact of fee increases on students. Revenue from the fee increases will be used to pursue academic excellence by investing in salaries to hire and retain an excellent and diverse faculty. At Berkeley and Los Angeles, revenue also will be used to support modernization and construction of new law school facilities.

The Irvine campus will be proposing a new professional degree fee in law for 2009-10 when the first class is expected to enroll. Because the campus is still planning its program, it is recommended that action on a fee plan for this program be deferred until a later date.

All three existing law schools are using significant revenue from the fee increases on expanding and targeting the schools' financial aid programs in order to mitigate concerns about the impact of the fee increases on access and inclusion. As part of that commitment and in accordance with the Regents Policy, each program is using significant revenue from the fee increases on expanding and targeting the schools' financial aid programs in order to mitigate concerns about the impact of the fee increases on access and inclusion. For example, the Berkeley law school plan includes a return-to-aid of about 35 percent on new professional degree fee revenue generated in 2008-09. This would bring the school's return-to-aid on total professional degree fee revenue to 40 percent. In addition to providing an additional \$2.8 million for need-based grants, the additional funds would also support the school's recently expanded LRAP and increase funding from \$700,000 in 2007-08 to about \$1.5 million by 2010-11. The Davis law school plan includes a return-to-aid of about 36 percent on new professional degree fee revenue generated in 2008-09 to increase grant funding and expand its LRAP program. Grant funding is expected to increase from \$2.4 million to \$4.2 million by 2010-11. The UCLA law school plan includes a return-to-aid of about 38 percent on new professional degree fee revenue generated in 2008-09 to expand its LRAP program and provide additional grant funding. The LRAP program is expected to nearly quadruple to just over \$1 million by 2010-11, and grant funding is expected to increase from \$5.6 million to \$9.0 million during the three-year plan.

The cumulative indebtedness of the students in each program is currently lower than the programs with which they compete for students and, given the salaries their students command after graduation, does not pose unmanageable repayment obligations. The campuses will be monitoring carefully the impact of the fee increases on the mixture of students who enroll.

**Business.** The President, with the concurrence of the chancellors, recommended that the following plan of increases in the professional degree fee for resident students enrolled in business be endorsed:

Berkeley:	approximately 18.5 percent annually
Davis:	10 percent annually
Irvine:	7 percent annually
Los Angeles:	approximately 14 percent annually
Riverside:	7 percent annually
San Diego:	10 percent annually

If these fee increases are approved, the increase in total charges (including mandatory systemwide fees and campus-based fees) for resident business students would be as follows:

Berkeley:	15 percent annually
Davis:	8.8 percent annually
Irvine:	7.1 percent annually
Los Angeles:	12 percent annually
Riverside:	6.8 percent annually
San Diego:	9 percent annually

In their original fee plans, the Irvine and Riverside business programs determined that, within their current marketplaces, annual increases in the professional degree fee of 7 percent were sufficient to meet their program goals and objectives for the period 2008-09 through 2010-11.

The Davis and San Diego campuses requested an increase of 10 percent for each year of the three-year plan for resident students to fulfill each program's strategic and financial goals. In the case of Davis, the increases will generate the revenue necessary to ensure financial stability for the program while positioning the program at an appropriate price point in the competitive market for its MBA programs. For San Diego, the increase recognizes the additional funding needs associated with starting a new program.

The Rady School at San Diego began operating a self-supporting weekend MBA program in 2004 and the School admitted its first full-time class of 60 MBA students in September 2005. The School aspires to rank among the top business schools in the nation, and it is proposing a plan of modest fee increases to maximize revenue while remaining affordable to students as it develops a national presence. As a new start-up program, the Rady School has found it exceedingly challenging to obtain sufficient resources to support an appropriate market-driven budget. Currently, there is a significant "all sources" funding gap on a per student basis between Rady School and the other UC campuses. The proposed annual 10 percent increase is necessary to help generate critical operating and fellowship support. The School recognizes that, as a start-up, it must provide a significant level of fellowship funding to be competitive for quality MBA students in the full-time program. With a negligible endowment at this time and few other sources for merit-based student support, a significant proportion of professional school fee revenue is being and will continue to be used for this purpose. At the same time, operating budget requirements, such as the recruitment of top quality faculty, require the maximization of all possible revenue sources.

For both Davis and San Diego, the proposed annual increases of 10 percent will result in resident fee levels that are about the same as those at Irvine, though significantly less than those at Los Angeles and Berkeley.

In their original fee plans, the business programs at Berkeley and Los Angeles requested higher annual increases in the professional degree fee to address the disproportionate budget cuts that these programs, along with the law programs, sustained at the beginning of this decade. These cuts have had long-lasting effects on their programs, and it is necessary that fee increases for these programs be higher than those approved for other programs. Berkeley requested annual increases in the professional degree fee for resident

students of approximately 22.5 percent and the Los Angeles campus requested annual increases in the professional degree fee of about 14 percent. The President supports the goals and objectives articulated in the multi-year plans for these programs, but has reservations regarding these proposals. While there were no fee increases in 2006-07, increases in the professional degree fee for these business programs in other years were substantial.

Accordingly, a revised, phased plan of moderated increases in the professional degree fee that do not exceed 15 percent of total student charges is recommended for planning purposes for these two programs to moderate the impact of fee increases on students. A summary of key elements that were used to evaluate the multi-year fee proposals at Berkeley and Los Angeles was provided to Regents, including a summary of the program's stated goals and objectives, its placement within its market, information on affordability measures, and a summary of the program's financial aid plans.

All business schools are meeting the requirements for financial aid specified in the Regents' Policy. Given the salaries their students command after graduation, the cumulative indebtedness of the students in each program does not pose unmanageable repayment obligations. To address concerns about the impact of fee increases on access and inclusion, the schools will also be monitoring the impact of the fee increase on the mixture of students who enroll.

**Pharmacy.** The President, with the concurrence of the chancellors, recommended a fee plan of annual increases in the professional degree fee averaging about 13 percent for students enrolled in pharmacy. If these increases are endorsed for planning purposes, the increase in total charges (including mandatory systemwide fees and campus-based fees) for resident pharmacy students would be approximately 11 percent per year at both campuses.

In response to scientific advances and expanding professional standards, UC pharmacy programs have increased their academic and degree offerings and developed new areas of study to address changes in pharmacy practice and to meet changing accreditation requirements for advanced level pharmacy training. Pharmacy training now involves a clerkship as a member of the clinical care team in UC hospitals and clinics. In addition, UC's advanced-level training – including residency and fellowship programs – is critical to ensure an adequate supply of future pharmacy faculty and to fill critical roles in the pharmacy workforce. The allocation of funding for UC's pharmacy educational and advanced-level training opportunities has not kept pace with the increasing requirements of pharmacy education, which now require small group, problem-based learning, and mentoring. Expected market forces will exacerbate the funding problems experienced by the schools.

To address these needs, the two pharmacy schools at San Diego and San Francisco originally requested increases in the professional degree fee of approximately 26 percent for the first year only of their three-year plans that would result in an increase in total fees in 2008-09 of about 18 percent for both campuses. For the final two years of their plans,

both campuses originally proposed increases in the professional degree fee of 7 percent. The President supports the objectives articulated by the schools, but has reservations regarding the increase originally proposed for 2008-09. To address these needs, it is recommended that a revised plan of annual increases in the professional degree fee averaging 13 percent per year be endorsed for planning purposes. A moderated phased plan will assist students in planning for their educational costs and will allow the schools to address their most immediate needs. A summary of key elements that were used to evaluate the multi-year fee proposals for each campus was provided to Regents, including a summary of the program's stated goals and objectives, its placement within its market, information on affordability measures, and a summary of the program's financial aid plans.

In accordance with the requirements for financial aid specified in the Regents' Policy, the pharmacy schools will use a significant portion of the revenue from the fee increases to expand their financial aid programs. Given the salaries their students command after graduation, the cumulative indebtedness of the students in each program does not pose unmanageable repayment obligations. To address concerns about the impact of the fee increases on access and inclusion, the programs will monitor the mixture of the students who enroll.

Provost Hume observed that Regent Allen would put forward an amendment to ensure that fee increases in future years will be sensitive to issues of access and diversity among the student body in professional degree programs. Mr. Hume shared Regent Allen's concerns and believed that the proposed amendment provided an appropriate tool for accountability on these issues. Chancellors have committed to monitoring the impacts of the fees on student demographic characteristics and reporting the results to Regents annually. This process provides opportunity for Regents to review the three-year plans annually and to make adjustments in future fee levels if warranted.

Regent Johnson expressed her concern over pricing UC professional schools out of the market, and about fee differentials between campuses, which may have the effect of creating a hierarchy among the campuses. She recalled the Academic Senate's report on current budget trends and the future of the University, which cautioned against tiering campuses.

Faculty Representative Brown stated that the Academic Senate is very concerned about differentiation among campuses, believing that the University should have one standard of excellence and that each campus should seek to attain that one standard. There is also concern over the effect of the proposal on State support for the University, in that it communicates an illusory message that, since higher student fees were instituted, State funding is not needed for the programs.

Regent Hopkinson reasoned that the proposal is necessary in order to ensure quality, particularly given the declining levels of State support over the past decade. She questioned the fee proposals for the schools of nursing, given the shortage of nurses in

the state. Mr. Hume explained that the University is aggressively increasing nursing enrollments.

Regent Ruiz stated his opposition to the proposal, asserting that the University has not done enough, through fundraising and soliciting increased State support, to raise the required revenues for its programs. Mr. Hume noted Dean Edley's vigorous and successful efforts to raise money for the Boalt Hall Law School on the Berkeley campus. He emphasized that all deans are vigorously involved in fundraising, but that a contribution from the students at an appropriate level is considered to be necessary by their donors.

Regent Island expressed strong concerns that fee increases of this magnitude will have a major effect on affordability and accessibility and that concerns about quality should not be tied to student fee levels. He believed that the University had lost its land-grant mission and questioned the purpose of a business school at UC Berkeley, reasoning that it defies such a mission. Fees should not be evaluated based on the income-earning potential of students, but rather on whether the programs they support serve the public land-grant mission and a societal good. Regent Island also spoke against the fee differentiation, noting the arrogance that some campuses should be better than others; he suggested that rather than approving higher fees for schools that are considered ahead, more money should be allocated to the schools that are behind. He urged strategic rethinking on how to fund schools in ways other than increasing student fees.

Regent Garamendi strongly concurred with Regent Island's comments, asserting that high fee increases are the wrong path for the University. He stated that such fees will close the door on those who most need the University, such as students of lower income.

Chairman Blum emphasized that the Dean of Boalt Hall Law School at Berkeley is deeply concerned about the accessibility of the school at the same time that he is committed to maintaining Boalt's status as one of the best in the country. Inadequate support will contribute to the attrition of excellent faculty. In terms of the Haas Business School at Berkeley, he recalled serious faculty retention issues in the past that were solved only by large gifts specifically targeted to compensate faculty at market rates. Haas Business School has recently been rated number one in the country. Chairman Blum recalled that, at a recent commencement at the business school, graduates were overwhelmingly minority students and many were the first in their family to attain a college degree. He stressed the importance of raising a large omnibus scholarship fund.

Regent Island recounted that enrollment of African-Americans at the Haas Business School was 1.1 percent in 2004, 0.9 percent in 2005, and 1.3 percent in 2006.

Mr. Hume introduced Dean Mary Anne Koda-Kimble of the UCSF School of Pharmacy. She stated that, as a first-generation college graduate from the pharmacy school 40 years ago, access is extremely important to her. The school of pharmacy is in crisis and its accreditation at risk because the school is not supported at the same level as other professional schools in the health sciences. The UCSF School of Pharmacy has 43

faculty to teach 500 students, requiring them to work approximately 60 hours a week. She strongly asserted that sufficient justification has been provided for the proposed fee increase.

Regent Kozberg stated that based on her exposure to the UCLA School of Public Policy, the deans have thought long and hard about this plan and would not be asking for the increase if it was not absolutely needed.

Committee Chair Gould stated that the core responsibility of The Regents is to maintain the excellence of the institution, and rather than hoping for more State or philanthropic revenue, he intended to vote in favor of the proposal as it is in the best interest of the institution. He recognized that the deans care strongly about access.

Regent Preuss concurred with the deans that if adequate support is not provided, excellence at the professional schools will diminish. The University has responsibility for access as well as quality, and if such support is not provided, a slippery slope will be started that will be a great disfavor to the State of California. He was convinced that if the Regents do not act on this proposal, the quality of the University will decline.

Regent Allen proposed the following amendment to the recommendation, underscoring that it has wide support from deans, the UC Student Association, and Provost Hume and the Office of the President:

**SETTING CONDITIONS FOR PROFESSIONAL DEGREE FEE INCREASES:**

*Safeguarding Access, Inclusion, and Excellence at the University of California*

1. 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.
2. 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 Education 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.
3. Each plan must include the following (including expenditure projections, design parameters, and performance metrics) components:

- 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 (or some equivalent alternative program) for students interested in pursuing low-paying public service jobs such that their debt from professional school does not unduly restrict their career decision. In practice this could translate into having law schools forgive the debt of students employed in low-paying public interest and government service positions, health schools forgive the debt of students employed in low-paying work in severely underserved regions or with underserved populations, and business schools forgive the debt of students employed in low-paying non-profit or government positions.
  - C. A strategy for inclusion of underrepresented groups such as underrepresented minorities, low and lower-middle socioeconomic, and first-generation graduate school students.
  - D. A detailed marketing and outreach plan to explain financial aid and loan forgiveness to applicants, students, and their families in order to reduce price-resistance, loan reticence and “sticker shock.”
  - E. An indication of when and how an assessment will be conducted of whether higher PDFs have adversely affected access, diversity, or inclusion (such as a dramatic decline or a slow long-term decrease in the number of underrepresented minorities, first-generation graduate students, etc. attending the unit).
4. Each unit’s PDF plan shall also include:
    - A. 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.
    - B. 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.
  5. The Executive Vice President and Provost 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 campuses and as submitted to The Regents should cover a rolling period of not less than three years.

6. These conditions are effective in academic year 2009-10 and onwards. For academic year 2008-09, any PDF increases greater than 7 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.

Regent Allen noted that the amendment was not intended to be prescriptive in order to allow individual schools flexibility in how best to respond to the concerns raised. He underscored that he opposes large fee increases, and plans to vote against the measure despite having submitted the amendment. He expressed the imperative that, if a large fee increase is passed, a message must be sent also that the University will make an effort to support potential and current students most adversely affected by large fee hikes.

Regent Gould stated that, while the Regents want to encourage campuses to consider these issues and develop a plan, the campuses should be allowed to develop plans based on what is best for that particular location. He pointed out that the amendment does contain prescriptive language. General Counsel Robinson advised that, if the intent is that the campuses should consider these elements rather than require them, the language of the amendment would have to be changed.

Regent Parsky suggested that "must include" be changed to "should consider," and that the elements be listed. Regent Allen accepted this amendment and noted that the reference to "7 percent" in item 6 should be changed to "6 percent."

Regent Johnson supported the amendment, noting the importance of campuses providing justification for why large fee increases are needed.

Faculty Representative Brown noted that the Academic Senate had not seen the amendment, but recalled that the Academic Senate has already gone on record regarding its opposition to differential professional school fees.

Regent Hopkinson moved the recommendation with Regent Allen's amendment as modified. Regent Parsky clarified that item 3 of the amendment should read:

3. Each plan should consider the following (including expenditure projections, design parameters, and performance metrics) components:
  - 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 (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.
- C. A strategy for inclusion of underrepresented groups.
- D. A detailed marketing and outreach plan to explain financial aid and loan forgiveness.

In response to questions regarding which Committee was to vote on the proposal, General Counsel Robinson clarified that, while the Committees on Educational Policy and Finance were meeting jointly, the Committee on Finance has primary jurisdiction over student fees and only members of the Committee on Finance will vote. Committee Chair Gould pointed out that members of the Board who are not in favor of the item can vote appropriately in the meeting of the full Board.

Upon motion duly made and seconded, the Committee approved the President's recommendation as amended and voted to present it to the Board, Regents Garamendi and Island voting no.

The meeting adjourned at 2:20 p.m.

Attest:

Secretary and Chief of Staff