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Office of the President

TO MEMBERS OF THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE:

DISCUSSION ITEM

For Meeting of January 24, 2018

UPDATE ON IMPLEMENTATION OF RECOMMENDATIONS OF THE TOTAL COST OF ATTENDANCE WORKING GROUP

EXECUTIVE SUMMARY

Regents policy on undergraduate financial aid calls for making the cost of attendance for California undergraduates, which includes tuition, fees, and expenses for housing, food, educational materials, and transportation, affordable. The policy specifies that the cost of attendance be met through a combination of family resources (to the extent that the family is able), a manageable contribution from the student, and grant support from federal, State, university, and private sources. The Education Financing Model (EFM) is the University's strategy for implementing this policy.

The Total Cost of Attendance (TCOA) Working Group was charged by the Regents and the President to examine whether the EFM, as currently designed, is achieving the goal of the Regents policy or whether the EFM needs to be reformed. The TCOA Working Group recognized that the University of California has a unique and laudable record serving California students from all socioeconomic backgrounds, but also developed eight recommendations to improve the EFM. At its November 15, 2017 meeting, the Academic and Student Affairs Committee asked the Office of the President to proceed with all eight of the recommendations.

Progress has commenced on implementing the eight recommendations. This presentation will provide a first update on that progress.

BACKGROUND

Since the November meeting, progress has been made on these eight recommendations of the Total Cost of Attendance (TCOA) Working Group:

Recommendation 1: Advocate for Additional Cal Grant Eligibility for Summer and Promote Summer Enrollment as a Way to Reduce Time-to-Degree

Speeding time to graduation is one of the most effective ways to reduce the cost of an undergraduate degree, and students who attend summer school are more likely to graduate in

four years. The University should advocate for expanded availability of Cal Grants in summer to support summer enrollment.

Current Status: The Office of the President has begun drafting legislative language for expanding Cal Grant eligibility to summer.

Student Affairs is working with campus Financial Aid Directors to ensure that summer enrollment and financial aid remain a priority and that existing summer financial aid opportunities (e.g., year-round Pell Grants) are being fully utilized.

Recommendation 2: Expand Multi-Year Financial Aid Plans

Direct the Office of the President to work with campuses to expand an innovative UC Santa Barbara pilot program offering four-year financial aid promises to select new freshmen and two-year promises to select new transfer students.

Current Status: The Education Financing Model (EFM) Steering Committee has initiated discussions of this recommendation and will focus on this goal in greater detail at its early February meeting.

Campus Financial Aid Directors and Enrollment Managers have also begun discussions. As of now, at least two campuses plan to offer multi-year financial aid offers to targeted groups of students for fall 2018.

Recommendation 3: Improve Measurement of the Total Cost of Attendance

Improve assessment of the total cost of attendance, reducing reliance on survey data exclusively, especially when campuses may have data on actual direct student expenditures (e.g., campus course materials fees), engaging survey experts in reviewing the UC Cost of Attendance Survey (COAS), and reducing the time between administrations of the COAS.

Current Status: The Office of the President has already moved to collect some direct expense data from campuses rather than survey data (i.e., course materials and campus technology fees).

The EFM Steering Committee will be discussing the shift to using more direct expense data for the development of 2018-19 student budgets. It also expects to engage with survey experts prior to the 2019 administration of the COAS. Further, Office of the President staff have established a survey schedule of administration of the COAS every two years instead of every three years.

Recommendation 4: Bring Additional Affordability Information to Regental Conversations and Flag Decisions that Impact Affordability

The Office of the President will present information on the total cost of attendance and student working and borrowing when presenting tuition increase proposals to the Regents. Furthermore, an in-depth discussion of affordability issues outside the context of a tuition increase is recommended. Finally, decisions before the Board that could have an impact on affordability for students, e.g., approving capital projects to build student housing, should be flagged as such by the campuses and the Office of the President.

Current Status: The Office of the President staff has built affordability of an undergraduate degree into its Regents meeting Item on tuition and fee levels for the coming year. The plan is to make this standard operating procedure.

Staff also plan to address affordability implications for future items coming before the Regents on other subjects.

Recommendation 5: Further Study Strategies to Limit Increases in University Housing and Healthcare Costs

Housing and health insurance are significant drivers of the total cost of attendance and the costs of both of these drivers are partially within the control of the University. The University should identify and disseminate best practices to help campuses limit these cost increases without compromising student success (e.g., eliminating academic space within housing known to contribute to student success). NOTE: This recommendation is not intended to suggest that these costs be subsidized.

Current Status: The Office of the President has begun conversations with the appropriate parties to discuss best practices. A systemwide summit to discuss housing costs will occur in the winter quarter and will include representatives from planning and budget, University housing and dining, capital projects, and the Office of the President.

Recommendation 6: Create Modest, Progressive Self-Help Models

Rather than expect the same from all students in terms of part-time work and student loans, UC should ask less of the most financially needy. This could occur systemwide or through greater use of campus flexibility.

Current Status: The EFM Steering Committee has been delegated the responsibility to better define campus flexibility to address the needs of the neediest students using progressive self-help models. Initial review and analysis began at the Committee's December 2017 meeting and will continue through the Committee's activities this spring.

Recommendation 7: Leverage State Support for Middle Class Students to Enhance UC Affordability

Acknowledging perceived flaws in the federal need analysis formula, the University should leverage the State of California's Middle Class Scholarship Program.

Current Status: The Education Financing Model Steering Committee has been delegated the responsibility to explore options for assisting middle class students. Initial review and analysis began at the Committee's December 2017 meeting and will continue through the Committee's activities this spring.

Recommendation 8: Improve Financial Education

The Office of the President will work with campuses – and perhaps intersegmentally with the California State University (CSU) system and the California Community Colleges (CCC) system – to expand financial literacy training for students.

Current Status: The Office of the President has created an inventory of current financial literacy activities. Simultaneously it has prepared a Request for Information to solicit pricing by outside vendors to deliver training.

The Vice President for Student Affairs will also be discussing this initiative with her counterparts at the CSU Chancellor's Office and the CCC Chancellor's Office.