

Office of the President

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:

ACTION ITEM

For Meeting of November 19, 2025

RENEWAL OF THE UNIVERSITY OF CALIFORNIA TUITION STABILITY PLAN

EXECUTIVE SUMMARY

The University of California Tuition Stability Plan was approved by the Regents in July 2021. Beginning in fall 2022, annual adjustments to Tuition, the Student Services Fee (SSF), and Nonresident Supplemental Tuition apply to undergraduates on a cohort basis. All three charges are expected to be higher for each incoming undergraduate cohort than the amounts charged to prior cohorts, but they remain flat for the duration of a student's enrollment, up to six years. For graduate students in State-supported programs, the approved Tuition Stability Plan applies annual adjustments to Tuition and the SSF on a uniform basis (i.e., the same rate applies to both new and continuing graduate students, regardless of entering cohort).

Since its implementation, moderate and predictable adjustments to systemwide charges have played a critical role in preserving the funds that support UC's academic activities and the infrastructure needed to perform them. Critically, increases to these charges have also resulted in additional financial aid that has not only fully covered any fee increase for more than one-half of California undergraduates but has also provided students with additional resources to cover increases in living expenses, books and supplies, and other components of the total cost of attendance.

As was presented at the July 2025 Regents meeting, preliminary outcomes show that the Tuition Stability Plan has resulted in greater financial aid for students (relative to a scenario where no tuition increases were implemented) and new operating support for the campuses. In addition, student outcomes related to access, retention, and perceptions of affordability have been maintained or have improved.

The Regents' 2021 approval of the Tuition Stability Plan included a requirement that it be reviewed and reauthorized prior to the 2027-28 academic year. To that end, this action item asks the Regents to consider three modifications to the original structure of the Tuition Stability Plan:

- Maintains the five percent cap on annual increases, but allows for "banking" of any amount over the five percent to be used in future years;

- reduces the return-to-aid rate on increases to undergraduate Tuition and SSF to 40 percent from the current rate of 45 percent, with a planned decrease to 33 percent once the systemwide average return-to-aid rate reaches 33 percent of total Tuition and SSF revenue; and
- builds in an additional one-percent increase on top of the annual inflation-based increases to systemwide charges in support of capital improvements.

RECOMMENDATION

The President of the University recommends that the Regents approve adjustments to student charges and general provisions as described in Attachment 1, Proposed Adjustments to Student Charges.

BACKGROUND

Details of the Tuition Stability Plan

At their July 2021 meeting, the [Regents approved](#) the University's [multi-year Tuition Stability Plan](#), which would make adjustments to Tuition, the Student Services Fee (SSF), and Nonresident Supplemental Tuition (NRST) on a cohort basis for incoming undergraduate students and on a uniform basis for graduate students in State-supported programs. Effective fall 2022, the Plan provides tuition stability and predictability for students and parents, enhances financial aid and affordability for students with financial need, and supports campus operations to maintain and improve the quality of a UC education.

For undergraduate students (and as shown in Display 1):

- Students who enrolled prior to fall 2022 will continue to pay 2021-22 rates through 2026-27 for Tuition, the Student Services Fee, and NRST (also known as mandatory systemwide charges).
- For students who entered fall 2022 and later, the three charges are assessed on a cohort basis—all three charges for each entering cohort are expected to be higher than the amounts charged to prior cohorts but remain flat for the duration of a student's enrollment, up to six years.
- Annual adjustments from one cohort to the next were designed to decline over time, from inflation plus two percent for fall 2022 to inflation only for fall 2026.
- 45 percent of new revenue generated by adjustments to Tuition and the Student Services Fee is set aside for financial aid.
- 20 percent of new revenue generated by adjustments to NRST is set aside for nonresident undergraduate financial aid. In May 2025, the Regents approved an adjustment to this requirement that allows campuses to utilize this funding to support California resident undergraduates in addition to undergraduate nonresident students.

Display 1: Tuition Stability Plan Implementation (Undergraduate Students)

Plan Year	Year Student First Enrolls at UC (Entering Cohort)	Increase Over Amount Charged to Students Who Entered in Prior Year	Approved Increase (%)
	2021-22 or earlier	No increase	No increase
Year 1	2022-23	Inflation + 2.0%	4.2%
Year 2	2023-24	Inflation + 1.5%	5.0%
Year 3	2024-25	Inflation + 1.0%	5.0%
Year 4	2025-26	Inflation + 0.5%	3.5% ¹
Year 5	2026-27 and later	Inflation	Inflation

¹ The 3.5% increase in 2025-26 is applicable only to Tuition and the Student Services Fee. The Regents approved an increase to undergraduate NRST of 9.9% for nonresident undergraduate students.

For graduate students:

- Tuition, the SSF, and NRST continue to be assessed on a uniform basis—the same rate applies to both new and continuing students, regardless of a student’s entering cohort.
- Commencing in fall 2022, Tuition and the Student Services Fee are adjusted annually based on inflation.
- For students in programs that charge Professional Degree Supplemental Tuition, 40 percent of new revenue generated by adjustments to Tuition and the Student Services Fee is set aside for financial aid.¹

Under the approved Plan, for any year in which the increase to a student charge would exceed five percent, the increase is capped at five percent unless the Regents take action to approve a different amount. The Regents’ approval of the Plan included a requirement that it be reviewed and reauthorized prior to the 2027-28 academic year.

Context for Current Tuition Stability Plan

Each year, the University must address mandatory cost increases and invest in high-priority areas to ensure that current and future generations of UC students from all socioeconomic backgrounds have access to the same world-class educational opportunities enjoyed by past generations. Under the Tuition Stability Plan, moderate and predictable adjustments to student tuition and fees have played a critical role in covering a portion of the growing costs associated with this vision and in preserving UC’s core funds. Increases to these charges have also resulted in additional financial aid that not only fully covered any fee increase for more than one-half of California undergraduates but also provided students with additional resources to cover increases in living expenses, books and supplies, and other components of the total cost of attendance.

The July 2025 Regents meeting featured a [discussion](#) of preliminary outcomes of the Tuition Stability Plan associated with affordability, undergraduate enrollment and retention, and support

¹ The return-to-aid was unchanged by the Tuition Stability Plan for Tuition and Student Services Fees for students in academic graduate programs (50 percent) and for Professional Degree Supplemental Tuition (PDST) for graduate professional programs (33 percent).

for campus operations. Per that discussion, the Tuition Stability Plan has resulted in greater financial aid for students (relative to a scenario where no tuition increases were implemented) and new operating support for the campuses. In addition, student outcomes related to access, retention, and perceptions of affordability have been maintained or have improved.

Renewing the Tuition Stability Plan

Proposed Changes to Elements of the Tuition Stability Plan

Cap on Annual Tuition Increases

The original action item to approve the Tuition Stability Plan, brought to the full Board of Regents in July 2021, included a cap on annual inflation-based increases to systemwide charges of six percent, unless a higher increase was approved by the Board. An amendment to the item, which recommended reducing the cap from six percent to five percent, was approved alongside full approval of the plan.

As shown in Display 2, annual increases under the original six percent cap would have been higher for the incoming undergraduate cohorts in 2023-24 and 2024-25, by one percentage point (since the increase would have been capped at six percent) and 0.09 percentage points, respectively.

Display 2: Annual Increases to Mandatory Undergraduate Tuition and Fee Levels

	2022-23	2023-24	2024-25	2025-26 ²
CA-CPI (3-year avg.) ¹	2.28%	4.85%	4.09%	3.00%
Phase-in	2.00%	1.50%	1.00%	0.50%
Increase	4.25%	5.00%	5.00%	3.50%
Increase (w/o cap)	4.25%	6.35%	5.09%	3.50%

¹ Increases calculated based on available CA-CPI estimates at the time rates were calculated.

² An increase to undergraduate NRST of 9.9% was approved for 2025-26.

The proposal going forward is to maintain the cap on annual inflation-based increases to systemwide charges of five percent, but to allow for the “banking” of any amount over the five percent to be used in future years. For example, had this proposal been in place when the Tuition Stability Plan was first approved, the University would have been able to “bank” 1.35 percentage points from the 2023-24 academic year and 0.09 percentage points from the 2024-25 academic year for use in the 2025-26 year, bringing the 2025-26 increase up from 3.5 percent to 4.94 percent for undergraduate students. Use of the banked amounts, applicable to annual undergraduate and graduate tuition and fee increases, would be subject to the annual cap of five percent.

Return-to-Aid Required on Undergraduate Tuition and Student Services Fee Increases

When the Tuition Stability Plan was [discussed in May 2021](#), the plan's return-to-aid requirements were consistent with the University's historical approach to generating critical financial aid resources for its students. Specifically, the general provisions of the plan required that:

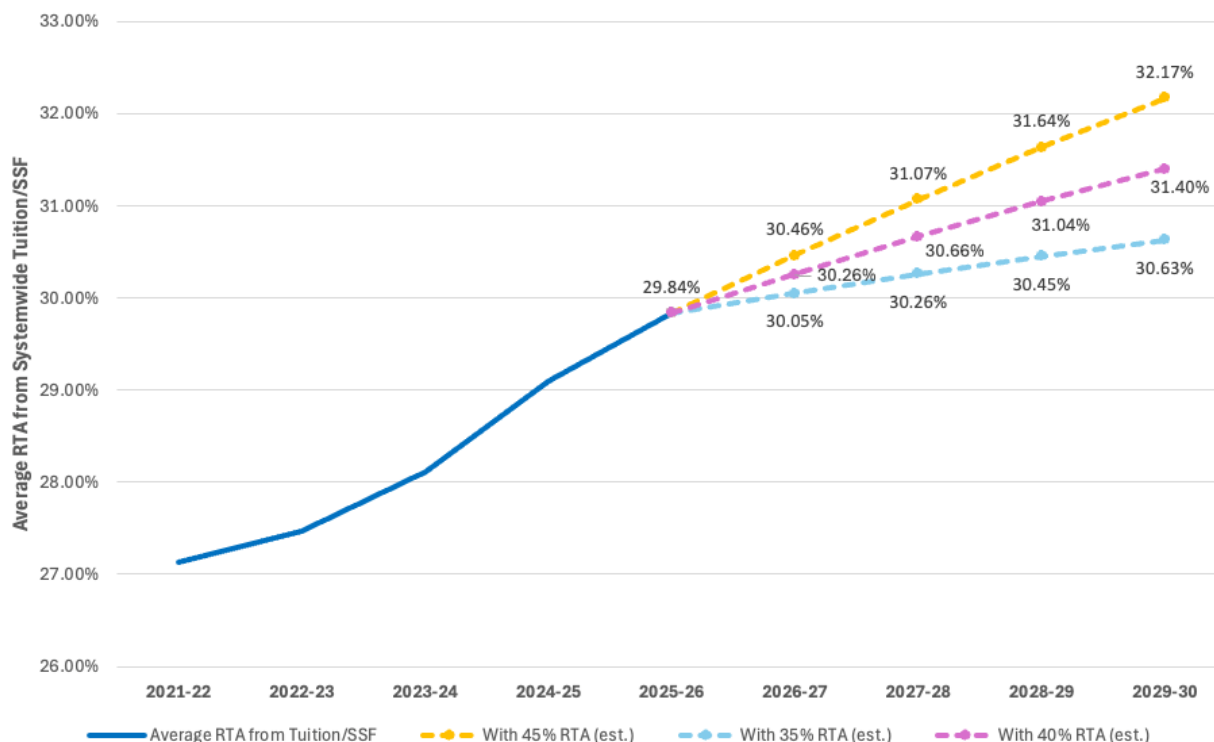
“An amount equivalent to 33 percent of the undergraduate tuition and Student Services Fee increase, 10 percent of the undergraduate Nonresident Supplemental Tuition increase, 50 percent of the graduate academic student tuition and Student Services Fee increase, and 33 percent of the graduate professional student tuition and Student Services Fee increase will be set aside for financial aid.”

At that meeting, the Regents expressed interest in seeing a higher return-to-aid rate, such that one-third of *total* undergraduate Tuition and Student Services Fee revenues were ultimately dedicated to undergraduate financial aid. In response, the July 2021 action item reflected a 40 percent return-to-aid rate on increases to undergraduate Tuition and the Student Services Fee. An amendment made at that meeting further increased the return-to-aid rate to 45 percent, which was ultimately included in the approved Tuition Stability Plan.

Under the renewed Tuition Stability Plan, the proposal is to reduce the return-to-aid rate on undergraduate Tuition and the undergraduate Student Services Fee to 40 percent of future annual increases. At a rate still higher than the original 33 percent, a larger share of incremental revenue from annual tuition and fee adjustments would be available to support campus core operations, while the University would also continue to make progress toward ensuring that one-third of total undergraduate Tuition and Student Services Fee revenues are dedicated to financial aid. Under this proposal, once the systemwide average set-aside of *total* Tuition and SSF revenue reaches 33 percent, the return-to-aid rate on the increments would decrease from 40 percent to 33 percent.

Since 2021-22, the average return-to-aid rate on total systemwide undergraduate Tuition and Student Services Fee revenues has grown from approximately 27.13 percent in 2021-22 to an estimated 29.84 percent in 2025-26. Display 3 shows estimated average return-to-aid rates through 2029-30 under various scenarios. Display 3 assumes annual inflation-based increases to these systemwide charges.

Display 3: Average RTA from Systemwide Tuition & SSF (Undergraduates)



One-Percent Increases in Addition to CA-CPI

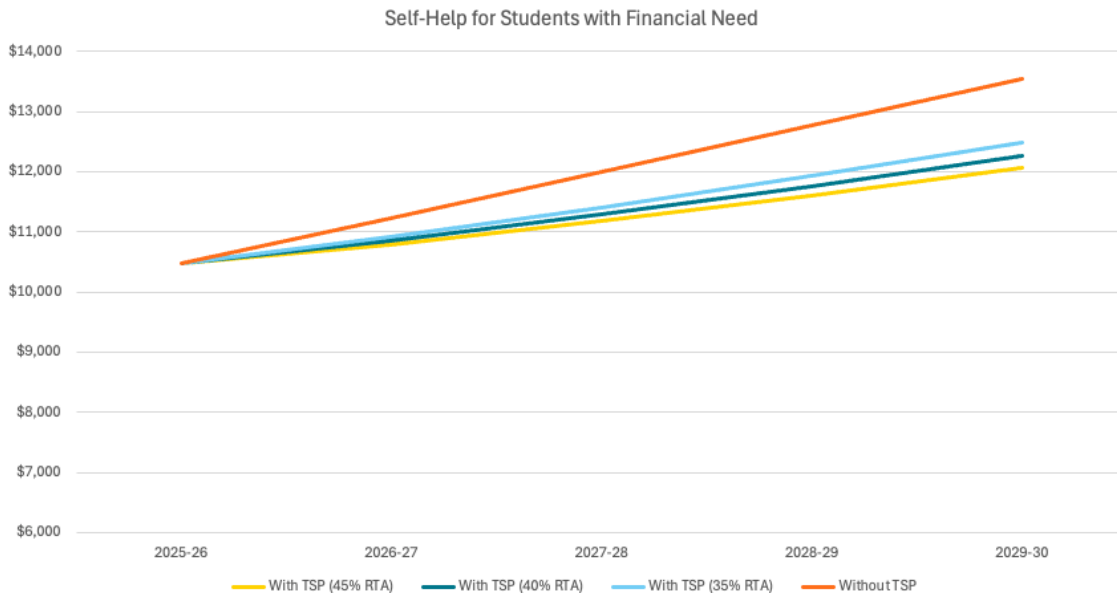
For the renewed Plan, the Regents are asked to consider incorporating an additional one-percent increase on top of the inflation-based increases (i.e., in addition to the three-year average of the California Consumer Price Index, or CA-CPI) to support capital improvements at the campuses. The use of these one-percent increases over and above CA-CPI, applicable to annual undergraduate and graduate tuition and fee adjustments, would be subject to the five percent cap discussed above. According to [Regents Policy 3101](#), The University of California Student Tuition and Fee Policy, revenue from the Student Services Fee “shall be used to support services and programs that directly benefit students and that are complementary to, but not a part of, the core instructional program.” Given this requirement, revenue stemming from the one-percent increase on SSF, net of return-to-aid, would be restricted to capital projects related to student services spaces.

Continued Focus on Student Affordability

As shown in Display 4, if the Tuition Stability Plan (TSP) is renewed for 2026-27, assuming annual increases of about three percent with a 35 percent, 40 percent, or 45 percent return-to-aid (RTA) rate, it would continue to generate new funding to reduce the self-help, or need for a student to work part-time or borrow, of those with financial need relative to a scenario where systemwide charges are held flat. (Fee increases above three percent would generate even more support for students eligible for financial aid.) The counterfactual shown by the orange line

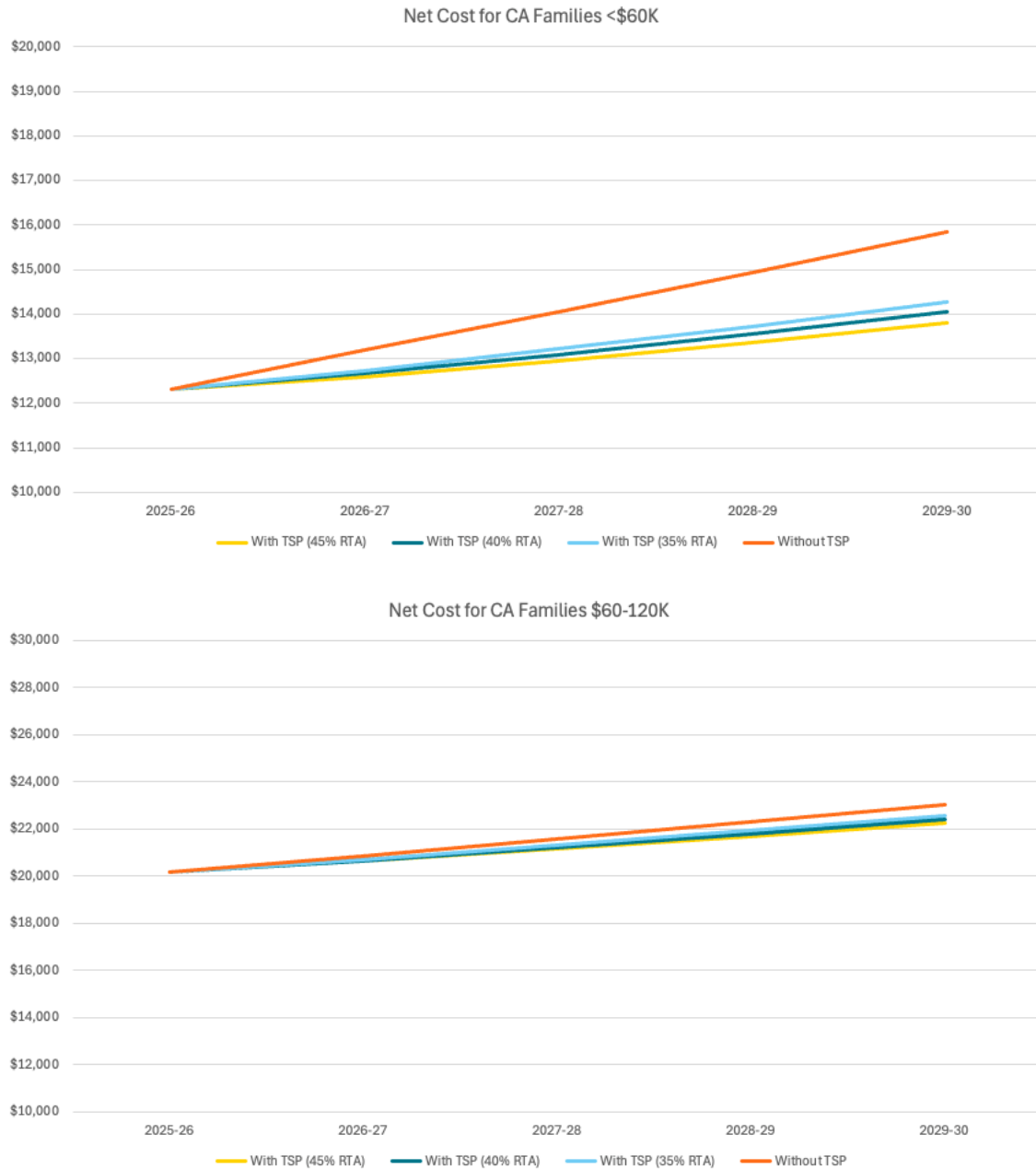
(“Without TSP”) assumes that fees would be held flat at each cohort’s 2025-26 Tuition/SSF level starting in 2026-27. Per the display, in 2027-28, the self-help level of a student with financial need would be \$11,180 under the prevailing 45 percent RTA rate; \$11,293 under a 40 percent RTA rate; \$11,406 under a 35 percent RTA rate; and \$11,994 under a scenario where undergraduate tuition and fees are held flat, thereby generating no incremental support for financial aid.

Display 4: Self-Help for Students Receiving Financial Aid (Under Renewed Plan)



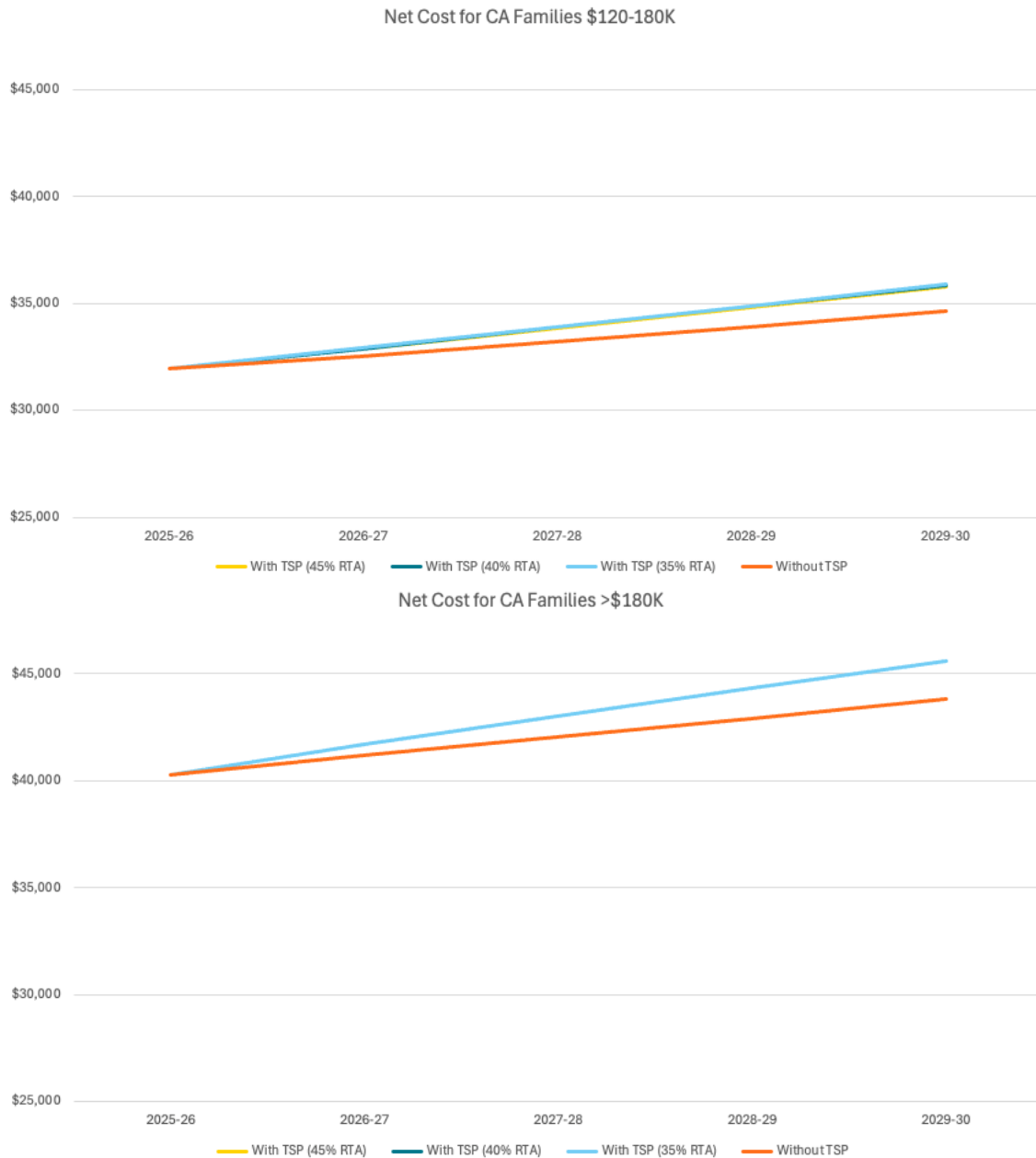
Similar to what occurred between 2022-23 and 2025-26, relative to a scenario where mandatory tuition and fees remain flat at 2025-26 levels, a renewal of the Tuition Stability Plan is expected to reduce the average net cost of attendance, or total estimated educational costs (i.e., tuition, rent, food, books, etc.) less grants and scholarships, for students with family incomes under \$120,000 (Display 5).

Display 5: Net Cost of Attendance for California Families (Under \$120,000)



For families with incomes above \$120,000, the average net cost of attendance would be slightly higher with the Plan's renewal (Display 6). For example, in 2029-30, a typical student with a family income between \$120,000 and \$180,000 could expect an average net cost of attendance that would be about \$1,200 more if the Tuition Stability Plan were renewed (with a 40 percent return-to-aid rate); for a student with a family income above \$180,000, that figure increases to roughly \$1,800. Note that these are averages and some families in these income ranges would qualify for more need-based financial aid (see Displays 7 and 8).

Display 6: Net Cost of Attendance for California Families (Over \$120,000)



Under the Tuition Stability Plan, students across the system have access to increased financial aid from a combination of resources. Display 7 reflects the 2023-24 shares of California resident undergraduate students with different types of financial aid and/or fee exemptions—specifically, awards from UC grants and Cal Grants, the Native American Opportunity Plan (NAOP), or tuition exemptions for California veterans—that would increase under the Tuition Stability Plan to cover the fee level increase for affected students (i.e., the incoming cohort only), and provide some coverage for non-tuition costs as well.

Display 7: Shares of California Undergraduates with Aid to Offset Fee Increases

Cal Grants, UC Grant, or Tuition Award

	UCB	UCD	UCI	UCLA	UCM	UCR	UCSB	UCSC	UCSD	System
1. Less than \$60K	91%	92%	92%	87%	96%	94%	92%	90%	93%	92%
2. \$60K to \$120K	81%	83%	82%	75%	88%	84%	82%	82%	82%	82%
3. \$120K to \$180K	41%	38%	37%	34%	43%	32%	35%	30%	37%	36%
4. Over \$180K	4%	4%	5%	4%	4%	3%	4%	3%	4%	4%
5. All with Cal Grant, UC Grant, or Tuition Award	49%	53%	59%	47%	75%	64%	48%	48%	56%	54%

Assuming 2023-24 represents a typical year, for most California resident undergraduates (54 percent systemwide), increased aid generated by the renewed Tuition Stability Plan would be sufficient to offset applicable increases to mandatory systemwide charges. At UC Merced, the campus with the highest share of students eligible for financial aid, roughly three-quarters of California resident undergraduates would benefit from a Tuition Stability Plan renewal.

Additionally, while the average net cost of attendance for students from families earning more than \$120,000 is expected to be higher under a renewed plan, about 36 percent of students with family incomes between \$120,000 and \$180,000 would receive sufficient financial aid to offset the increases. About four percent of students from families earning more than \$180,000 would also see their fee increases covered.

For about five percent of California resident undergraduates (who do not receive financial aid from the sources noted above), the Middle Class Scholarship covers a portion of annual increases to mandatory systemwide charges. Display 8 shows the unduplicated share (i.e., shares of students *in addition to* the figures in Display 7) of California resident undergraduates receiving Middle Class Scholarship funding. Note that the Middle Class Scholarship provides support to a much larger set of UC students (43 percent of California residents), but the five percent noted below represents students who do not receive Cal Grants or UC grants.

Display 8: Shares of California Undergraduates with MCS to Offset a Portion of Fees

Middle Class Scholarship Recipients Not in Display 7

	UCB	UCD	UCI	UCLA	UCM	UCR	UCSB	UCSC	UCSD	System
1. Less than \$60K	0%	0%	0%		0%	0%	0%	0%	0%	0%
2. \$60K to \$120K	1%	1%	2%	1%	2%	3%	1%	1%	2%	2%
3. \$120K to \$180K	17%	22%	22%	21%	21%	24%	20%	23%	20%	21%
4. Over \$180K	4%	5%	6%	5%	7%	6%	4%	5%	5%	5%
Total	4%	5%	5%	5%	3%	5%	4%	5%	5%	5%

Displays 7 and 8 above reflect percentages based on the total population of UC California resident undergraduates. Displays 9 and 10 below show how these percentages change when limiting the population to California resident undergraduates *who applied for financial aid in the 2023-24 award year*. Although 92 percent of families earning under \$60,000 would have financial aid to cover their cohort-based fee increases under a renewed Tuition Stability Plan, per Display 7, that figure increases to 98 percent when excluding non-applicants, as demonstrated by

Display 9.² Display 9 also shows that increased aid generated by the renewed Tuition Stability Plan would be sufficient to offset the Plan's cohort-based increases for 75 percent of California resident undergraduates who apply for financial aid in a given year. Half of such students with family incomes between \$120,000 and \$180,000 would receive sufficient aid to offset the cohort-based increases.

Display 9: Shares of California Undergraduate Aid Applicants with Aid to Offset Fee Increases

Cal Grant, UC Grant, or Tuition Award	UCB	UCD	UCI	UCLA	UCM	UCR	UCSB	UCSC	UCSD	System
1. Less than \$60K	98%	99%	97%	99%	97%	99%	99%	98%	99%	98%
2. \$60K to \$120K	92%	94%	89%	94%	92%	94%	93%	92%	92%	93%
3. \$120K to \$180K	54%	54%	46%	54%	50%	47%	48%	40%	50%	50%
4. Over \$180K	10%	14%	9%	15%	6%	11%	10%	6%	9%	10%
5. All with Cal Grant, UC Grant, or Tuition Award	70%	79%	72%	77%	82%	84%	68%	66%	74%	75%

Display 10 shows the unduplicated share (i.e., shares of students *in addition to* the figures in Display 9) of California resident undergraduate *aid applicants* with Middle Class Scholarship funding to offset a portion of fees. Displays 9 and 10 taken together demonstrate that, of the California resident undergraduates who apply for financial aid, 81 percent would receive some form of financial aid to offset at least a portion of the fee increases associated with the renewed Tuition Stability Plan.

Display 10: Shares of California Undergraduate Aid Applicants with MCS to Offset a Portion of Fees

Middle Class Scholarship Recipients Not in Display 9	UCB	UCD	UCI	UCLA	UCM	UCR	UCSB	UCSC	UCSD	System
1. Less than \$60K	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2. \$60K to \$120K	1%	2%	2%	2%	2%	3%	1%	2%	2%	2%
3. \$120K to \$180K	22%	31%	27%	32%	24%	36%	27%	30%	27%	29%
4. Over \$180K	8%	17%	10%	17%	12%	20%	9%	10%	12%	12%
Total	5%	8%	6%	8%	4%	6%	6%	7%	6%	6%

Four Sample Students Under the Tuition Stability Plan

The following displays show anticipated typical financial aid packages in 2029-30 for students from families across four income levels: \$45,000 per year, \$90,000 per year, \$120,000 per year, and \$180,000 per year in 2023-24 dollars (i.e., families with financial circumstances equivalent to those with these incomes today). Three scenarios are presented for each sample student: one in which the Tuition Stability Plan is renewed with annual inflation-based increases and a 45 percent return-to-aid rate; one in which the Plan is renewed with annual inflation-based increases and a 40 percent return-to-aid rate; and another ("without TSP") in which the plan is not renewed and fees remain flat at 2025-26 levels.

The stacked bars in the grey tones reflect the total cost of attendance projected in 2029-30. These figures are identical across all four sample students:

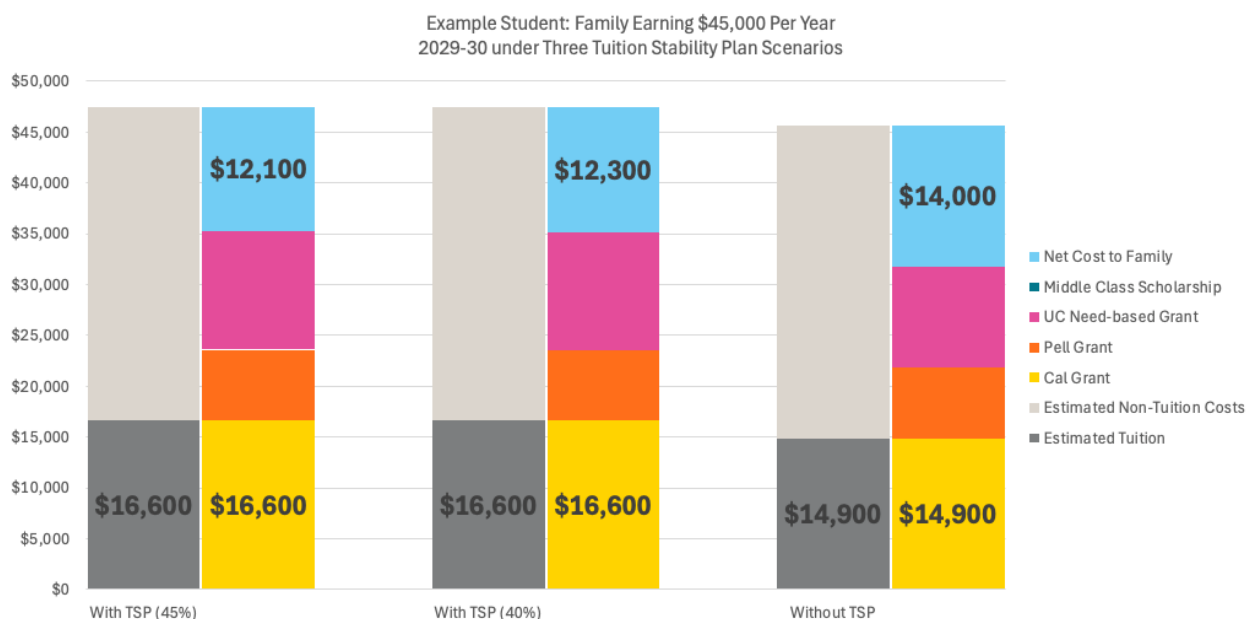
² Students who did not apply for financial aid, but whose families make under \$60,000 per year, may have filed for financial aid in a prior year and found they did not qualify for various reasons (e.g., large assets or untaxed income).

- If the Tuition Stability Plan is renewed, the estimated average total cost of attendance would be \$47,400, with \$16,600 attributable to tuition and fees and \$30,800 associated with non-tuition costs.
- If the Tuition Stability Plan is not renewed, the average total cost of attendance would be \$45,700, with \$14,900 attributable to tuition and fees and \$30,800 associated with non-tuition costs.

To the right of this set of stacked bars, a separate stacked bar with various colors reflects the different sources of financial aid that would be available for each sample student to offset a portion of those expected costs, with the net cost of attendance (i.e., the self-help level or family contribution for each student) in light blue at the top. These estimates assume no significant policy changes to these financial aid programs.

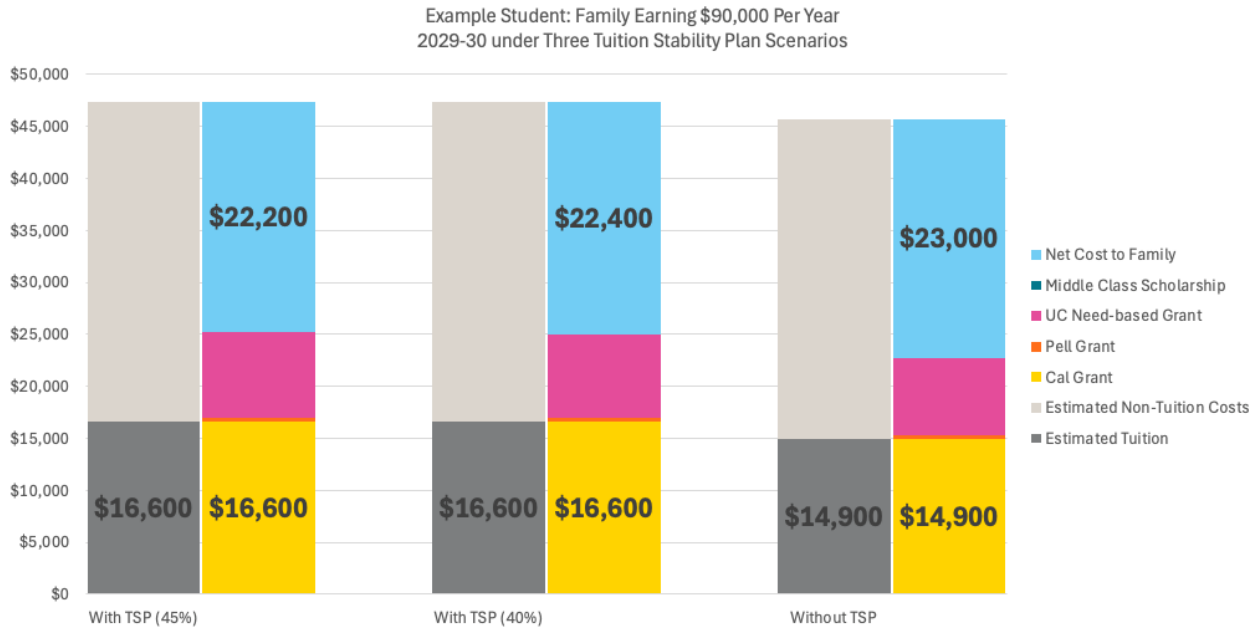
As shown in Display 11, for a student from a family earning \$45,000 per year, the average net cost of attending UC would be \$12,300 under the renewed Tuition Stability Plan (with a 40 percent RTA rate). For that same student, the average net cost of attending would be \$1,700 higher if the plan is not renewed, despite the lower tuition level. Note that the example students in Displays 11 and 12 have a Cal Grant, which covers tuition; if these example students did not have a Cal Grant, UC grant would increase in a similar way.

Display 11: Family Earning \$45,000/Year under Three TSP Scenarios

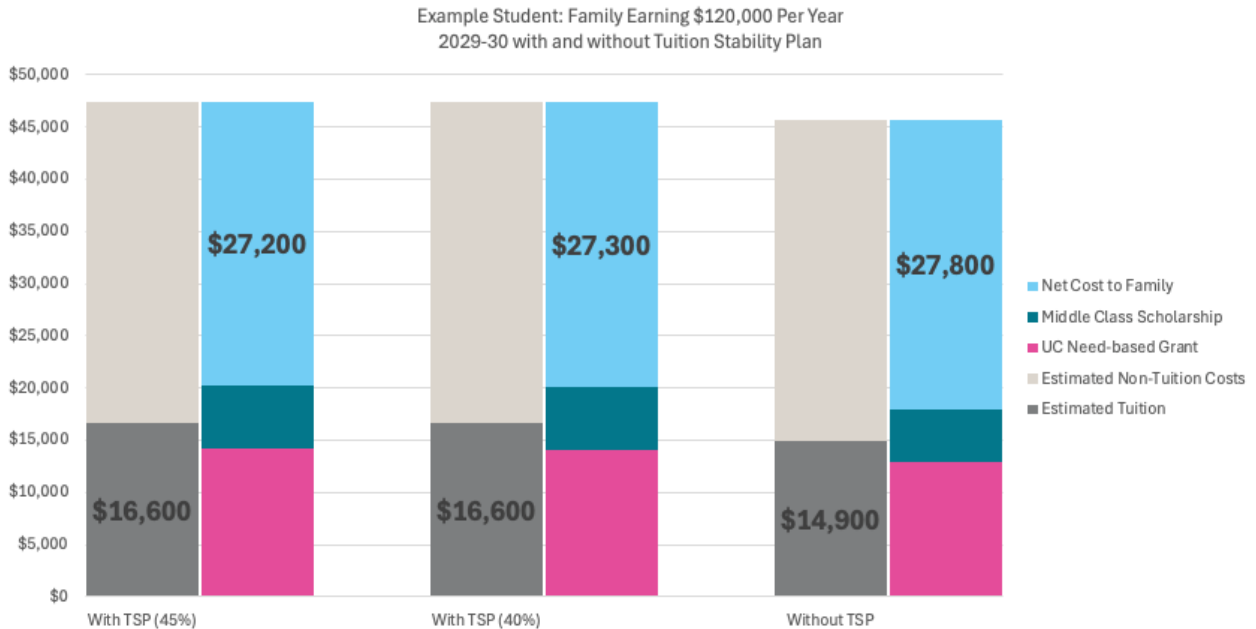


For the students with family incomes of \$90,000 per year and \$120,000 per year, the average net cost of attendance would be about \$600 and \$500 lower, respectively, if the Tuition Stability Plan were renewed with a 40 percent RTA rate, relative to a scenario where fees remain at 2025-26 levels. (See Displays 12 and 13 for details.)

Display 12: Family Earning \$90,000/Year under Three TSP Scenarios

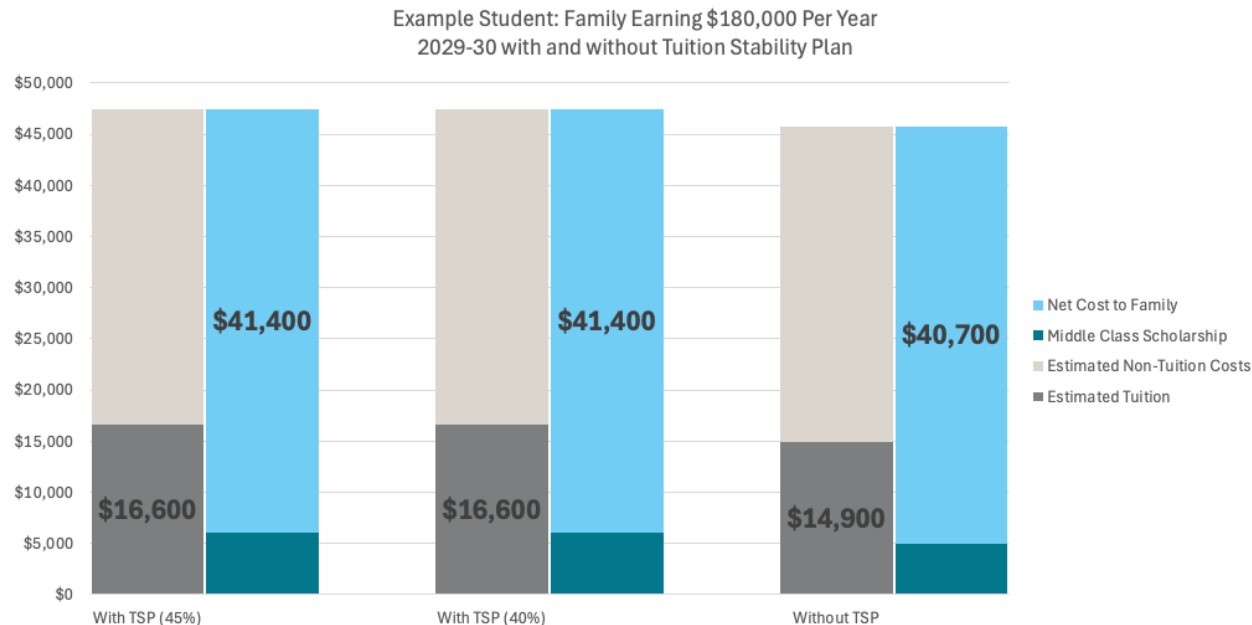


Display 13: Family Earning \$120,000/Year under Three TSP Scenarios



A different pattern emerges for the student with a family income of \$180,000. As seen in Display 14, when fees are increased under the Tuition Stability Plan with a 40 percent RTA rate, the net cost of attendance is \$700 higher.

Display 14: Family Earning \$180,000/Year under Three TSP Scenarios



CONCLUSION

Recommendations for a renewed Tuition Stability Plan include: 1) maintaining the cap on annual increases to systemwide charges at five percent, while allowing for “banking” of any amount above five percent to be used in future years; 2) reducing the return-to-aid rate on increases to undergraduate Tuition and SSF to 40 percent from the current rate of 45 percent, with a planned decrease to 33 percent once the systemwide average return-to-aid rate reaches 33 percent of total Tuition and SSF revenue; and 3) building in an additional one-percent increase on top of the annual inflation-based increases to systemwide charges to support capital improvements.

If the Tuition Stability Plan is renewed effective 2026-27, it would continue to generate new funding to reduce the self-help of students with financial need relative to a scenario where systemwide charges are held flat. Such a renewal is also expected to reduce the average net cost of attendance for students with family incomes under \$120,000. Although the average net cost of attendance for students from families earning more than \$120,000 is expected to be higher under a renewed plan, about 36 percent of students with family incomes between \$120,000 and \$180,000 would receive sufficient financial aid to offset the corresponding increases in systemwide charges (this figure increases to 50 percent when limiting the population to California resident undergraduates who apply for financial aid). About four percent of students from families earning more than \$180,000 would also see their fee increases covered (this figure increases to ten percent when accounting only for the population who apply for financial aid). In addition, of the California resident undergraduates who apply for financial aid, 81 percent are estimated to receive some form of financial aid to offset at least a portion of the fee increases associated with the Tuition Stability Plan.

Attachment 1: Proposed Adjustments to Student Charges