FOR IMMEDIATE RELEASE
Thursday, May 14, 2015
University of California Office of the President
Media contact: (510) 987-9200

UC Reaches Long-Term Agreement with Governor for More Funding, Tuition Predictability

University of California President Janet Napolitano announced today (May 14) that she and Gov. Jerry Brown have reached a historic agreement that provides UC with significant new revenue while capping resident tuition at its current level for the next two years.

Specifically, the agreement provides for:

- A 4 percent base budget increase for each of the next four years.
- A one-time infusion of $436 million over three years for UC’s pension obligation from funds set aside under Proposition 2.
- Allocations in 2015-16 of $25 million for deferred maintenance and $25 million in funds from the state’s cap-and-trade program to support energy efficiency.
- Regents to authorize the university to increase nonresident supplemental tuition up to 8 percent annually.

In addition, UC will either continue or expand efforts to:

- Ensure that at least a third of its new students enter as transfers.
- Make clear pathways to a three-year undergraduate degree.
- Eliminate course bottlenecks.
- Improve academic advising.
- Explore other efficiencies.
The agreement is contained in the governor’s revised state budget proposal, which now moves to the legislature for deliberations. A final state budget must be approved by next month. The framework will be presented to the UC regents next week.

“Gov. Brown and I were both focused on the future of California as we worked toward this agreement, which will enable the University of California to continue its role as the nation’s preeminent public research university,” Napolitano said. “Now the University of California will turn to our state legislators for their much-needed support of the proposed budget and for funding to enroll more California students.”

The $436 million from funds set aside for debt repayment under Proposition 2, the Rainy Day Budget Stabilization Fund Act approved by voters last year, will be used to supplement rather than supplant existing funds.

In exchange for the governor recognizing that the state has an obligation to UC’s pension plan, the university has agreed to adopt a new pension tier by July 1, 2016.

The revised state budget provides UC with a 4 percent increase to its base budget for each of four years beginning in the upcoming fiscal year, or $119.5 million for 2015-16. This represents the addition of two years, as it extends the funding increase through the end of the governor’s term.

UC’s systemwide tuition would remain at $12,192 through 2016-17, which would mean six consecutive years of no tuition increase. Beginning in 2017-18, that rate would rise at least by the rate of inflation, which would allow the university to maintain its robust financial aid program, lower the student-faculty ratio, increase course offerings and student support services, and lessen the time it takes students to graduate.

The approach to professional degree supplemental tuition approved by the regents in November would take effect as planned this fall, although not at UC’s four law schools.

While the framework meets the regents’ goals of providing budget stability and predictability, it does not allocate funds for the UC priority of boosting enrollment of California students. The university has been working with legislative leadership on ways to enroll more such students, a critical need
given the continuing demand and the predicted shortage of highly skilled workers in the state.

The governor has agreed that he will not oppose additional legislative funding for enrollment or other purposes.

The terms of the agreement between the university and the governor will be presented to the Board of Regents at its May 21 meeting at UC San Francisco’s Mission Bay campus.