

University of California president proposes new fee hikes

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On Thursday, University of California President Janet Napolitano announced that she would propose a five-year tuition hike of up to 5 percent per year to the UC Board of Regents at their planned meeting this month. The proposal, which is expected to pass, could bring in-state tuition up to \$15,564 per year and out-of-state tuition to \$44,756 by the 2019-2020 academic year—amounting to more than a 20 percent increase in tuition fees.

Napolitano's announcement is part of a larger move by big business and government officials, nationally and worldwide, to cut social services and increase the cost of accessing essential services such as education. According to *US News*, in 1988, public higher education institutions on average relied on student tuition for 23.8 percent of their funding. In 2013, such institutions relied on tuition for 47.4 percent of their funding.

In addition to directly increasing the cost of tuition, Napolitano announced that the Student Services Fee, which all UC students pay, will also increase by 5 percent in the coming year. Also, the “professional degree supplemental tuition (PDST)” would increase by 5 percent for five years. In addition to those increases, there would also be a “one-time 20 percent increase” to the PDST for nursing students for the next academic year and the implementation of a new PDST for five professional degree programs: “Teacher Education, Educational Leadership, and Journalism at UC Berkeley; Public Policy at Riverside; and Technology Management at Santa Barbara.”

Napolitano has titled the measure as a plan to “stabilize tuition and fees.” The increase in tuition, however, which could easily accumulate into more than a 20 percent hike on tuition costs, is anything but stabilization.

Napolitano, herself, made clear that there was nothing binding about her proposal. In an FAQ released by the UC system it is asked, “Will tuition increases be limited to 5 percent [per year]?” The response: “Yes, assuming the state continues to partner with UC and follows through with its commitment to provide the university with modest annual budget increases through 2019-2020 and continues to fully fund the Cal Grant program.”

This assumption is, however, not an insignificant one. The UC system, despite having thousands more students and dealing with ballooning costs of living in California, is funded at a level that is \$460 million lower than it was in 2008.

Like many other government organizations, state funding of the UC system is wedded to the ebbs and flows of the real estate market and the taxes it brings in. Should there be a renewed economic crash, in which the current stock market bubble becomes punctured, state coffers would once again shrink. The dramatic drop in funding which the system experienced over the past few years could once again rupture the entire framework, forcing students to go deeper into debt, or bar them altogether from higher education.

Adjusting for inflation, in 2001 the average cost of tuitions and fees for an in-state UC undergraduate was just over \$5,000. In 2013, it had ballooned to roughly \$12,000.

Students, nationwide, have turned to parasitic loans to deal with these kinds of tuition hikes. According to CNN, in December of 2013, the average student loan debt was at \$29,400. This number, however, has grown in just the past year. In 2014, the government estimated that the average class of 2014 graduate would have to pay back about \$33,000 in loans. To compound matters, graduates face a bleak job market in which the

prospect of gainful employment remains slim.

What is not spoken about in Napolitano's "tuition stabilization" plan is the fact that student fees make up only half of the overall money that the average student spends in order to survive. California is one of the more expensive places to live in the United States. At UC Berkeley, the university estimates that the total cost of living for a first-year student in a dormitory is \$32,168—not including the \$2,190 for student health insurance. Bay Area rent and housing prices have, with no exaggeration, skyrocketed in the past two years—pushing the cost of student life higher every year.

In July of this year, according to *SFGate*, the average asking rent price for the Bay Area was \$2,158 a month for the second quarter of 2014 —up 10.3 percent from the year before. Students at UC Berkeley routinely pay over a thousand dollars a month for a studio apartment. For students at UC San Francisco, the price is much more, with the average asking price in the city at \$3,229 a month for rent. At UC Los Angeles, in Westwood, California, graduate student studios easily go for \$1,300 a month, with some non-UC studio apartments reaching \$1,600 a month near campus. According to the rental site *Lovely*, LA's median rent price increased by more than 13 percent between 1st quarter 2013 and 1st quarter 2014.

The increase in UC tuition compounded with the massive rise in living expenses is a death sentence to many students' aspiration to an affordable education.

UC Student Association board chair and UC Berkeley student, Kevin Sabo, told the *Daily Californian* that Napolitano's tuition hike was like "putting a gun" to students, calling for more student funding. "You're literally using students as hostages," he told the paper. He suggested that this would make "students focus on the legislature and the governor."

However, the fiscal answer to the UC's funding problems is not to be found within the California treasury. The refrain that "There is no money," inevitably to be repeated by both Napolitano and Governor Jerry Brown, holds true only if one dons blinders that shield the overflowing wealth of the super-rich, that is the vast majority of money on the planet, from view.

A single individual, Lawrence Ellison, CEO of the software firm Oracle Corporation, would have enough wealth to cover the state's entire budget deficit, let

alone that of the state university system, and still have well over \$10 billion in net worth.



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