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U. of California to Consider Covering Tuition for Families Below State's Median Income

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The University of California's president, Mark G. Yudof, will propose that the university promise to cover tuition and fees for undergraduate students whose families make less than the state's median household income, $60,000 per year.

The proposal, which is in draft form and has not been publicly announced, would offer eligible students grants to cover tuition at all nine of the university's undergraduate campuses. It is meant to convince low- and middle-income Californians that they can afford to attend the university even as the state budget is slashed and the university's sticker price rises.

Some elite private universities and a few public institutions have made similar tuition promises in the last few years (*The Chronicle,* April 4, 2008), but many of those institutions enroll a relatively small number of low-income students. By contrast, university officials estimate that the California tuition promise would apply to about 50,000 students, a third of its undergraduate population.

Mr. Yudof said the proposal, the Blue and Gold Opportunity Plan, is part of a larger package of measures meant to broaden the economic reach of the university during the recession. Last week, the university announced it would accept 500 more transfer students systemwide next year, even as it cut freshman enrollment.

"The ultimate test is, Do we enroll more low-income students? And hopefully they're more diverse," Mr. Yudof said in an interview on Wednesday. "That is the primary purpose."

The plan is estimated to cost an additional $3-million per year, which the university would most likely raise by diverting money from an expected tuition increase for students from wealthier families, according to Mr. Yudof. Much of the grants provided to students would come from existing sources of state, federal, and institutional aid.

The proposal must receive approval from the system's Board of Regents, who have begun to review it and may take it up in the next few months. The regents may concurrently vote to raise the tuition of undergraduates by up to 10 percent, which would increase the burden on wealthier students at the same time as some families below the $60,000 income line would stand to receive more aid. Undergraduate tuition at the university's campuses is about $7,500 per year.

A Response to the Economy

Mr. Yudof led the development of a similar plan at the University of Texas System, where he was chancellor until last year, though most of the Texas campuses cover tuition at lower family-income levels. He said that California's economic situation, with unemployment above the national average, calls out for increasing the visibility of financial aid for students who may have trouble affording it.

"I'm concerned, frankly, that there may be more of these students in the next one year or five years, depending on the length of the recession," Mr. Yudof said. "So it seems like a propitious time to do it."

Several student-aid experts said tuition promises pegged to a family-income level like Mr. Yudof's proposal have had some success in convincing low-income families that college is affordable. One of the trade-offs of that type of policy, they said, is that institutions have less ability to manage the specifics of student aid.

"People understand it, it takes away people's worries, it's simple and clear, and people know about it ahead of time," said Sandy Baum, a senior economist at the College Board. "The problem is that it's much more difficult to target in the same way."

For example, if a family makes less than the $60,000 at which such assistance is cut off but has a large number of assets, it may be less deserving of aid than a family that makes more, she said.

Ms. Baum said the willingness of other public universities to follow the University of California's lead would be limited by the recession. "Any state that doesn't already basically do this is highly unlikely at this moment to come out with this proposal," she said.

Jane V. Wellman, executive director of the Delta Project on Postsecondary Education Costs, Productivity, and Accountability, called the proposal "politically extremely shrewd," but she questioned whether undergraduate students would still end up paying for the university's financial troubles.

"As it affects the students with financial need, it's tremendous. It's a positive commitment to make education more accessible," Ms. Wellman said. But, she said, "I am wondering about the consequences of this on the tuition levels of the rest of the student population."