
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: AB 1674 **Hearing Date:** July 5, 2017
Author: Grayson
Version: April 20, 2017
Urgency: No **Fiscal:** Yes
Consultant: Olgalilia Ramirez

Subject: University of California: nonresident student enrollment

SUMMARY

This bill requests the University of California (UC) to ensure that implementation of any admissions policy regarding admission of nonresident undergraduate students complies with certain requirements and report to the Legislature annually.

BACKGROUND

Existing law:

- 1) Establishes the UC, a public trust to be administered by the Regents of the UC and grants the Regents full powers of organization and government, subject only to such legislative control as may be necessary to insure security of its funds, compliance with the terms of its endowments, statutory requirements around competitive bidding and contracts, sales of property and the purchase of materials, goods and services (California Constitution, Section (9)(a), Article IX).
- 2) Expresses the intent of the Legislature that the UC establish nonresident student tuition policies that are consistent with their resident student fee policies (Education Code § 68052)

ANALYSIS

This bill:

- 1) Requests the UC to comply with both of the following:
 - a) Ensure, by July 1, 2018, the UC, in collaboration with the Academic Senate, that implementation of any admissions policy it adopts regarding admission of nonresident undergraduate students includes guidance that ensures that the academic qualifications for admitted nonresident undergraduate students generally exceeds, on average, the academic qualifications of resident undergraduate students admitted at each campus.
 - b) Report to the Legislature annually regarding implementation of this policy, including, but not limited to, the mean and median scores on academic indicators of admitted resident and nonresident undergraduate students at each campus.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “the University of California’s (UC’s) practices have been detrimental to California residents. As UC continues to admit a growing number of out-of-state and international students, equally- and more highly-qualified California students are being denied admission. In the past ten years, UC denied admission to around 4,300 residents with scores equal to or higher than the median scores of admitted nonresidents. In addition, when they are admitted, residents are often offered a spot at an alternate campus- not a campus of their choice while UC increasingly offers nonresidents admission to at least one campus of their choice.” This bill seeks to implement recommendations from the report by requesting that the UC ensure that any admissions policy it adopts regarding nonresident undergraduate students includes guidance that ensures that nonresidents generally exceeds, on average, the academic standards of California residents who are admitted at each campus

- 2) ***BSA Audit.*** On March 29, 2016, the California State Auditor released a report, *The University of California, Its Admissions and Financial Decisions have Disadvantaged California Resident Students*. The report lists as its key findings that the university has undermined its commitment to residents in an effort to increase its revenue by recruiting and enrolling nonresidents. The report specifically cites that:
 - a) Despite a 52 percent increase in resident applicants, resident enrollment increased by only 10 percent over the last 10 years while nonresident enrollment increased by 432 percent.
 - b) The University lowered the admission standard for nonresidents and admitted nearly 16,000 nonresidents over the past three years with academic scores that fell below the median of admitted residents.
 - c) Admitted residents were increasingly denied their campus of choice, yet admitted nonresidents were always admitted to one of their campuses of choice.
 - d) Mandatory fees doubled for residents while they increased for nonresidents at a much lower rate.

Among other things, the Bureau of State Audits recommended that the UC revise its admission standard for nonresidents to require campuses to admit only nonresidents with admissions credentials that place them in the upper half of the residents it admits.

In response, the UC asserts that its admissions policies overwhelmingly favor Californians, and that state funding determines how many California residents the UC enrolls.

- 3) ***Related budget activity.*** In May 2015, the UC Board of Regents approved increases in undergraduate non-resident supplemental tuition of up to 8 percent per year for the next five years. Additionally, the 2015 Budget Act contained

several related provisions. Among other things, it provided \$25 million to the University of California (UC) contingent on increasing California resident enrollment by 5,000 students holding resident tuition flat in 2015-16 and 2016-17 and redirecting nonresident institutional aid to support resident students.

The 2016 Budget Act provided an additional \$18.5 million to the UC contingent upon enrolling 2,500 more California residents by the 2017-18 academic year and upon the UC Regents adoption of a university-wide policy capping the enrollment of non-residents. UC Regents to take action on a policy in May, see comment # 9 below.

- 4) **Status of out-of-state admissions.** At UC, non-resident students pay roughly \$27,000 per year more than California-resident students. The UC reports that for the 2015-16 academic year, 15.5 percent of its undergraduates systemwide were non-residents. Additionally, nonresident enrollment for 2015-16 was capped at those campuses that had seen the largest growth were Berkeley (25 percent), Los Angeles (19 percent) and San Diego (17 percent) was directed to cap their enrollment of nonresidents at 20 percent.
- 5) **Status of resident admissions.** According to the UC, as a result of state funding support provided for enrollment, between fall 2015 and fall 2016, over 6,400 California undergraduate residents were enrolled. This fall, UC anticipates enrolling an additional 2,500 resident students.
- 6) **UC Admissions policy.** The Board of Admissions and Relations with Schools (BOARS) oversees all matters relating to the admissions of undergraduate students. BOARS regulates the policies and practices used in the admissions process and recommends and directs efforts to improve the admissions process. According to the UC, its Comprehensive Review Policy governs the admission and selection of undergraduates at its nine campuses. Freshmen applications are assessed using multiple measures of achievement (high school course completion, grade point average, and standardized test scores) and promise while considering applicants' educational context. Comprehensive review involves consideration of 14 factors, utilized by all campuses, but the specific evaluation process and weight given to each factor differ from campus to campus, and year to year, based on campus-specific goals and needs.

According to the UC, this same comprehensive review is applied to nonresident applicants.
- 7) **UC Admission Guarantee.** UC's admission guarantee policy, applicable to all California resident high school graduates, includes Statewide Eligibility (SE), Eligibility in the Local Context (ELC), and Entitled to Review (ETR). The UC guarantees admission to the system (though not necessarily to the first-choice campus) to all California applicants who are in the top 9 percent of California high school graduates (SE), or in the top 9 percent of their respective high school class (ELC). The top 9 percent is determined by a formula based on grade point average (GPA) and standardized test scores.

In 2012, the University of California (UC) implemented a new freshman admissions policy, Entitled to Review (ETR). Under this policy, students are not guaranteed admission but are guaranteed a comprehensive review of their application if they have completed 11 of 15 required a-g courses with a weighted GPA of at least 3.0 by the end of their junior year. The intent was to confer the right to a full application review to a broader pool of college-going California students while ending the practice of excluding many high-achieving students solely on the basis of UC's extensive standardized testing requirements.

According to the UC, it does not provide a similar guarantee of admission to nonresident students.

- 8) ***BOARS policy change on admission of nonresidents.*** In 2011, Board of Admissions and Relations with Schools (BOARS) approved new guidelines regarding the admission of nonresident and international students that eliminated wording that nonresidents "should demonstrate stronger admission criteria than CA residents by generally being in the upper half of those ordinarily eligible" for admission. BOARS revised its principles to state that admitted nonresidents should "compare favorably to California residents admitted." In addition, a December 2011 resolution by BOARS resolves that to the fullest extent possible campuses should evaluate and select residents and nonresidents according to the same criteria and scores, enrollment targets for nonresidents should be set such that admitted nonresidents compare favorably at each campus, campus Senate admissions committees should work with local campus administration, and if needed BOARS and systemwide administration to ensure these principles are being met. At the end of each admission cycle, BOARS resolved that each campus provides an assessment of the extent to which the compare favorable rule is being met to include a description of, the evaluation/selection criteria, measures, and supporting data.
- 9) **Current policy for admission of nonresidents.** The UC reports that the current policy for admissions of nonresidents includes the following provisions:
- a) Nonresident applicants must have a higher GPA than resident applicants.
 - b) There is no guarantee of admission for nonresidents, while there is for California residents.
 - c) Nonresident students must be at least as qualified, on average, as admitted students across the system.

In addition, In May of this year, the UC Regents adopted a policy on nonresident student enrollment based on its commitment to prioritizing the enrollment of California residents and at the same time acknowledging the value it places on the diversity of experience, cultures, and backgrounds that nonresidents provide. In accordance with these principles, the University adopted a policy which includes the following:

- d) Continue to offer a place on at least one of its undergraduate campuses to every California undergraduate resident applicant who meets the University's requirements for guaranteed admission.
 - e) Continue to enroll a total number of California resident undergraduates equal to or exceeding the number of resident undergraduates for whom the University is provided funding by the State.
 - f) Nonresident undergraduates will continue to be enrolled in addition to, rather than in place of, funded California undergraduates at each campus. Campuses wishing to increase nonresident enrollment may not reduce enrollment of funded California students to accommodate this growth.
 - g) At each campus that in academic year 2017-18 enrolls fewer than 18 percent of its undergraduates from outside California, California residents shall continue to represent a minimum of 82 percent of all undergraduate students.
 - h) At each campus whose nonresident undergraduate enrollment in academic year 2017-18 exceeds 18 percent of total undergraduate enrollment, the proportion of nonresident undergraduates enrolled in the future may not exceed the proportion in 2017-18.
- 10) ***Is this bill necessary?*** It would seem that legislation is unnecessary to encourage that the University Of California (UC) adopt the specified enrollment policy given the UC's constitutional autonomy as noted in the background of this analysis.
- 11) ***Related legislation.***

AB 1711 (McCarty, 2016) similar to this bill, would have required, instead of requested, the University of California, as a condition of receipt of annual Budget Act funding, in collaboration with the Academic Senate, to ensure that implementation of any admissions policy it adopts regarding nonresident undergraduate students to include guidance that ensures that the academic qualifications of these students generally exceeds, on average, the academic qualifications of resident undergraduate students admitted at each campus. This version of AB 1711 was approved by this Committee by a vote of 8 to 0.

SB 236 (Nguyen, 2017), in part, would have required that out-of-state undergraduate students make up no more than 10 percent of the total undergraduate enrollment systemwide and at each campus of the University of California and, as a condition for the expenditure of annual Budget Act funding. SB 236 was heard and subsequently failed passage in this Committee on April 19th.

SCA 4 (Nguyen, 2015) proposed, in part, to add a new section to Article IX of the State Constitution that would require, beginning with the 2017-18 academic year, that out-of-state undergraduate students make up no more than 10 percent of the total undergraduate enrollment systemwide and at each campus of the UC.SCA

4 was heard and subsequently failed passage in this Committee on June 15, 2015, reconsideration was granted but no further action was taken.

AB 1370 (Medina, 2015) prohibits the number of undergraduate non-resident students enrolled at any University Of California (UC) campus from exceeding the number enrolled in the 2015-16 academic year, requires that beginning the 2018-19 academic year and each academic year thereafter, that funds, generated from undergraduate non-resident enrollment be directed to fund increased enrollment of undergraduate resident students and requires UC to annually publish a report that includes information about the amount, method of distribution, and expenditure purposes of revenues generated by undergraduate non-resident enrollment at each campus including the number of California resident undergraduate students admitted. AB 1370 was never heard by this Committee.

SUPPORT

California Federation of Teachers
California Competes Higher Education for a Strong Economy

OPPOSITION

None received

-- END --