
SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair
2015 - 2016 Regular

Bill No: AB 1711
Author: McCarty
Version: June 22, 2016
Urgency: No
Consultant: Kathleen Chavira
Hearing Date: June 29, 2016
Fiscal: Yes

Subject: University of California: nonresident student enrollment

SUMMARY

This bill, as a condition of receipt of annual Budget Act funding, requires the University of California (UC) to establish a policy regarding admission of nonresident undergraduate students to require that the academic qualifications of these students stand in the upper one-half of resident undergraduate students admitted to that campus, as specified, and requires the UC to report to the Legislature annually regarding actions to ensure compliance with the policy, as specified.

BACKGROUND

The California Constitution 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. (Article IX, Section (9)(a) of the California Constitution)

ANALYSIS

This bill, as a condition of receipt of annual Budget Act funding:

- 1) Requires the UC to establish a policy regarding admission of nonresident undergraduate students by July 1, 2017. It:
 - a) Requires that the policy require each campus of the UC admit only nonresident undergraduate students who exceed the academic qualifications of resident undergraduate students admitted to that campus.
 - b) Requires that a nonresident undergraduate student admitted to a campus stand in the upper one-half of resident undergraduate students admitted to that campus.
- 2) Requires the UC to report to the Legislature annually regarding actions to ensure compliance with the policy. Specifically, it requires the report to include but not be limited to:
 - a) The academic indicators used in the admission process.

- b) The median score of admitted resident undergraduate students for each indicator at each campus.
- c) The number of admitted nonresident undergraduate students who scored below the resident median on each indicator at each campus.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, there has been a growing trend in the University of California (UC) to enroll more out-of-state and international students at the expense of California students. Systemwide nonresident enrollment at the UC was 5 percent in 2007 and is currently at its highest level of 15.5 percent while resident enrollment has remained stagnant. On March 2016, a report by the State Auditor found that UC's admissions policies have disadvantaged and undermined their commitment to California students in favor of nonresidents. This bill implements recommendations from the report by requesting that the UC adopt a policy that ensures that nonresidents meet the same academic standards as the top 50 percent of California residents who are admitted at each campus.
- 2) ***Current status of out-of-state admissions.*** The UC reports that for the 2015-16 academic year, 15.5 percent of its undergraduates systemwide were nonresidents. According to the UC, nonresident enrollment for 2015-16 was capped at those campuses that had seen the largest growth, Berkeley (25 percent), Los Angeles (19 percent). San Diego (17 percent) was directed to cap their enrollment of nonresidents at 20 percent.
- 3) ***Related budget activity.*** The 2015 Budget Act provided \$25 million to the 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 school year and upon the UC regent's adoption of a university-wide policy capping the enrollment of nonresidents.

- 4) ***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 non-residents 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 University of California (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.

- 5) **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.

- 6) **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.

- 7) **BOARS policy change on admission of nonresidents.** In 2011, BOARS approved new guidelines regarding the admission of non-resident 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 to 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 provide 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.
- 8) **Compromise?** According to the UC, inconsistent with the central tenet of their admissions policy of comprehensive review, this bill would frame UC's approach to admissions in a manner overly reliant on test scores and GPAs to compare the relative merits of students. The UC reports that the current policy on 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 the UC indicates that the President of the University will ask the Academic Senate to review its current policy regarding nonresident admission and the University is committed to full transparency on their compliance with the policy by reporting annually on the relative qualifications of admitted residents and non-residents.

If it is the desire of the committee to advance this bill, **staff recommends** the bill be amended beginning on page 3, line 10 to strike the current language and insert the following:

- a) The University of California (UC), in collaboration with the Academic Senate, shall ensure that implementation of any admissions policy it adopts regarding admission of nonresident undergraduate students shall include 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) The UC shall annually report to the Legislature regarding the implementation of this policy, including the mean and median scores on academic indicators of admitted nonresident and resident undergraduate students at each campus.
- 9) **Similar legislation.** SCA 12 (Runner and Huff) proposed to modify Article IX of the State Constitution to require the UC Regents to ensure that priority in admissions is given to applicants who are California residents. SCA 12 was heard and passed by this Committee on April 20, 2016, but was subsequently held in the Senate Judiciary Committee.

SUPPORT

None received on this version.

OPPOSITION

University of California

-- END --