

Date of Hearing: April 18, 2017

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1674 (Grayson) – As Introduced February 17, 2017

SUBJECT: University of California: nonresident student enrollment.

SUMMARY: Requires the University of California (UC), as a condition of receipt of funds appropriated in the annual Budget Act, comply with specified requirements. Specifically, **this bill:**

- 1) Requires the UC, by July 1, 2018, in collaboration with the UC Academic Senate, to 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.
- 2) Requires the UC to 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.
- 3) Mandates that the UC comply with numbers 1 and 2 above, as a condition of receipt of funds appropriated in the annual Budget Act.

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 (Article IX, Section (9)(a) of the California Constitution).
- 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 Section 68052).

FISCAL EFFECT: Unknown.

COMMENTS: *Background.* California State Auditor (CSA) released a report, "The University of California, Its Admissions and Financial Decisions Have Disadvantaged California Resident Students" on March 29, 2016. 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 found, in part, that:

- 1) 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;

- 2) 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; and,
- 3) Admitted residents were increasingly denied their campus of choice, yet admitted nonresidents were always admitted to one of their campuses of choice.

Among other things, the CSA 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.

To note, it has been a little over a year since the report was released. According to the UC, its Academic Senate is currently reviewing the UC's "Compare Favorably" policy, and expects to release a report later this year on current Academic Senate policy with respect to nonresident admission.

Purpose of the measure. According to the author, "This bill increases fair access to the UC for qualified resident undergraduate students." The author contends that by requiring that the UC annually report to the Legislature the status of its admissions policy, it ensures accountability and transparency and ensures that eligible California students are no longer denied admittance.

Committee staff understands that this measure is in response to the aforementioned CSA report.

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.

BOARS policy change on admission of nonresidents. BOARS, in 2011, 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." Additionally, a December 2011 resolution by BOARS resolved, 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 provide an assessment of the extent to which the compare favorable rule is being met and include a description of the evaluation/selection criteria, measures, and supporting data.

Recent budget movement. The 2015-16 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 2016-17 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.

According to the Legislative Analyst's Office (LAO) February 2017 analysis of the 2017-18 Budget, consistent with state expectations, UC plans to spend \$45 million to enroll 2,500 more resident undergraduate students in 2017-18. Additionally, UC plans to enroll 1,000 (3 percent) more nonresident undergraduate students in 2017-18. To note, nonresident enrollment growth would be funded from the base tuition charged to said students as well as a portion of nonresident supplemental tuition revenue.

Policy considerations. This measure, as a condition of receiving state funds, requires the UC to comply with certain conditions, as specified. Is it appropriate and sound policy to condition UC's entire state funding on the implementation of one policy?

Committee staff recommends, and the author has agreed to accept, the following amendment:

68052.1. ~~As a condition of receipt of funds appropriated in the annual Budget Act, and notwithstanding Section 68134, the~~ The University of California shall is requested to comply with both of the following:

(b) The University of California shall is requested to 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.

Additionally, the UC Academic Senate sets admissions policies, with authority delegated by the Regents. As outlined in previous sections of this analysis, BOARS regulates the policies and practices used in the admissions process and recommends and directs efforts to improve the admissions process.

Moving forward, the author may wish to consider deleting the requirement of the UC collaborating with the Academic Senate when it implements its admission policies and instead determine if it should be explicitly stated that the UC will have to collaborate with BOARS.

Related legislation. AB 1711 (McCarty) of 2016, which was held in the Senate Appropriations Committee, was substantially similar in nature to this measure.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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