



1111 Franklin Street  
Oakland, California 94607-5200  
Phone: (510) 987-9074  
Fax: (510) 987-9086  
<http://www.ucop.edu>

July 31, 2014

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

I am writing to follow up on the discussion about nonresident enrollment that took place at the July 16th Regents' meeting. You requested information on nonresident enrollment by campus and information on whether California resident students are being displaced by nonresidents.

This briefing paper provides campus-by-campus data on California resident and nonresident undergraduate enrollment. It also shows that UC continues to enroll thousands of California resident undergraduates for whom the State provides no funding.

If you have any questions about this briefing paper, Vice President for Institutional Research & Academic Planning Pamela Brown will be pleased to respond.

Yours very truly,

A handwritten signature in blue ink that reads "Janet Napolitano".

Janet Napolitano  
President

Enclosure

cc: Chancellors

### Overview

At the July 16<sup>th</sup> Regents meeting, UC staff updated the Board on long-term financial planning. The presentation noted that 11.3 percent of undergraduate students were nonresidents in 2013-14. Regents requested additional information showing how the percentage varies by campus. This briefing paper provides campus-by-campus data on California resident and nonresident undergraduate enrollment as well as total undergraduates funded by the State. In summary:

- Approximately nine out of 10 enrolled undergraduates are California residents.
- UC is committed to enrolling the number of undergraduate California residents for whom the State provides funds. During the period of State budget deficits, the University continued to enroll thousands of “unfunded” undergraduates.
- As the number of unfunded undergraduates peaked, some UC campuses responded by decreasing enrollment of California residents in order to return to budgeted levels and increasing nonresidents to direct nonresident tuition revenue to replace lost State funding, protect academic quality and expand entry level courses.
- UC policy is that campuses only admit nonresident undergraduates whose qualifications compare favorably to the California residents admitted to that same campus.
- In the absence of adequate State support for UC, nonresident tuition revenue serves as a critical – and effective – source of funds to preserve the quality of undergraduate education.
- UC stands ready to enroll additional California residents, but cannot do this without additional financial support from State funds and/or tuition revenue sufficient to meet both enrollment demand and basic operating costs.

### UC Undergraduates by Residency

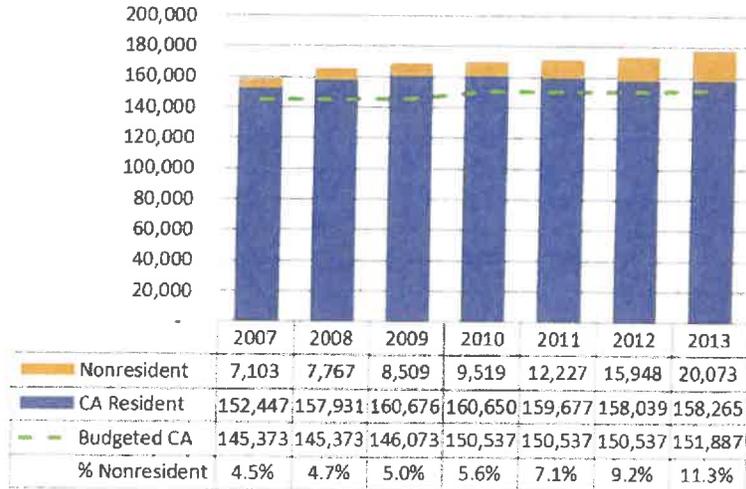
From 2007-08 to 2013-14, the number of nonresident<sup>1</sup> undergraduates grew from 7,103 to 20,073 while California residents increased by almost 6,000 to 158,265 from 152,447. Currently at just over 11 percent nonresident undergraduates, UC’s nonresident percentage still remains well below the AAU public peer average, which is greater than 26 percent. By campus, the percentage of nonresidents ranges from less than one percent at Merced and three percent at Riverside and Santa Cruz to 19 percent at Los Angeles and 21 percent at Berkeley.

---

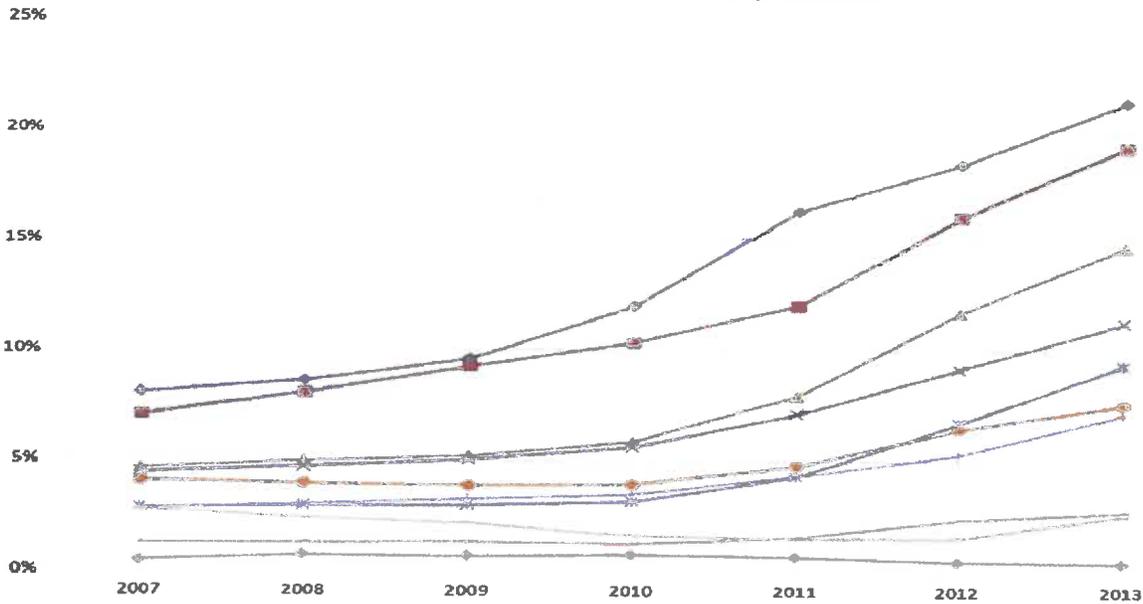
<sup>1</sup> Nonresidents are based on payer status (i.e., students who pay nonresident tuition). AB 540 students who do not pay nonresident tuition are counted as California residents.

# Undergraduates by Residency

## Systemwide



## Percent of Nonresident Undergraduates



	2007	2008	2009	2010	2011	2012	2013
Berkeley	8.0%	8.6%	9.6%	12.0%	16.3%	18.4%	21.2%
Los Angeles	7.0%	8.0%	9.2%	10.3%	12.0%	16.0%	19.2%
San Diego	4.6%	5.0%	5.2%	5.9%	7.9%	11.7%	14.7%
Systemwide	4.5%	4.7%	5.0%	5.6%	7.1%	9.2%	11.3%
Irvine	2.8%	3.0%	3.0%	3.1%	4.3%	6.7%	9.3%
Santa Barbara	4.1%	3.9%	3.9%	3.9%	4.8%	6.5%	7.6%
Davis	2.8%	3.0%	3.2%	3.5%	4.3%	5.3%	7.1%
Riverside	1.2%	1.2%	1.3%	1.2%	1.5%	2.3%	2.7%
Santa Cruz	2.8%	2.4%	2.1%	1.6%	1.5%	1.5%	2.5%
Merced	0.4%	0.7%	0.6%	0.7%	0.6%	0.4%	0.4%

### Campus Enrollment Management Strategies

Throughout a period of declining State support followed by modest post-Proposition 30 increases that do not even address mandatory cost increases, UC has honored its commitment under the Master Plan to admit all eligible California resident undergraduates and currently enrolls more undergraduates than the State funds. In 2013-14, undergraduates not funded by the State totaled 6,000 students (down from previous estimates of 7,600), with the following approximate counts by campus:

- |                      |                       |
|----------------------|-----------------------|
| 1. Davis: 2,040      | 5. Irvine: 380        |
| 2. Riverside: 1,870  | 6. Santa Barbara: 260 |
| 3. Merced: 1,580     | 7. Los Angeles: 190   |
| 4. Santa Cruz: 1,070 |                       |

*Note: Berkeley and San Diego are slightly below funded levels as described below.*

Nonresidents each pay about \$23,000 more than California residents, an amount that exceeds the average cost of education by about \$13,000. In the face of declining State support for their core mission, UC campuses have used nonresident undergraduate tuition to varying degrees to support unfunded enrollments and preserve academic quality. For example, Davis increased its nonresident population by almost 1,000 while at the same time increasing its resident population by 700, so some of its additional nonresident tuition is helping to support its unfunded students.

When the number of undergraduates not funded by the State peaked at over 14,600 in 2009-10, Berkeley, Los Angeles, and San Diego, and to a lesser extent Irvine and Santa Barbara, adopted a strategy of gradually reducing the number of unfunded California undergraduates while increasing the number of nonresidents. UCLA stated the additional nonresident tuition provided financial support necessary to [maintain the quality of education](#). Berkeley directed nonresident tuition to improve undergraduate education, specifically through its [Common Good Curriculum](#) initiative to expand entry level reading and composition, math and science and foreign language courses.

Enrollment management is both a science and an art, affected by trends in new undergraduates as well as continuation and graduation rates for all undergraduates. Year-to-year variations occur unpredictably. Campuses make informed projections on “yield” rates (i.e., the proportion of admitted students who choose to enroll) for different populations, but predicting the decision-making of potential students is challenging. This is particularly true for nonresidents, with whom campuses have less history on yield rates.

Fluctuations in the number of new undergraduates can have a significant impact on entry level course offerings, impacted majors, and housing, thus affecting the educational experience for all undergraduates. Some campuses have responded by creating wait lists with a goal of smoothing admissions patterns and achieving steady State-funded enrollments over several years, while others have taken a more conservative approach with admissions practices to bring enrollment more into line with resources.

As indicated earlier, Berkeley and San Diego are currently slightly below California resident targets by 2 and 3 percent respectively (i.e., about 330 and 690 students). Both campuses are committed to maintaining budgeted California resident levels and implementing strategies to return to that target.

For example, when Berkeley realized it would slip below California resident targets, the campus moved California resident spring 2015 admits to the fall 2014 semester, reducing the number of slots for nonresident students. It then pulled from the California resident wait list to enroll additional residents in spring 2015. Berkeley also offered additional financial aid to resident transfer admits to entice them to participate in the summer edge program, giving them additional credits prior to their fall term to smooth their transition to UC while increasing resident enrollment. San Diego was significantly overenrolled during the fiscal crisis and took aggressive action to align enrollment levels with resources. Because of the unpredictability associated with enrollment management strategies, however, the campus “over corrected.” To return to budgeted levels of California students, San Diego increased admitted California residents by 600 in 2013 and efforts continue in the current year to return to budgeted enrollment levels.

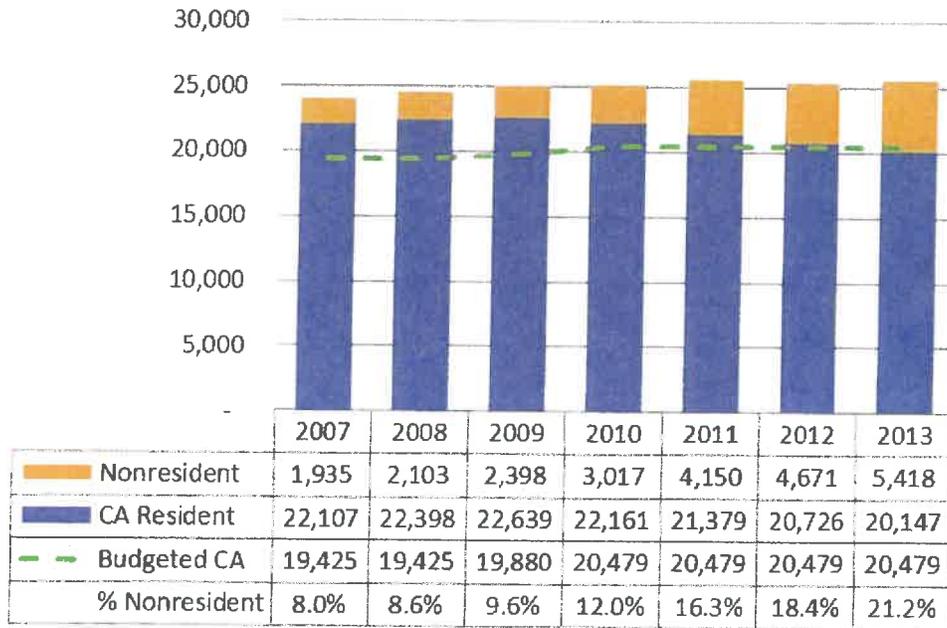
While growth in nonresident enrollment has been significant in recent years, the rate of growth is expected to level off at Berkeley, UCLA and San Diego. Other campuses are ramping up their enrollment of nonresident students, but they are not expected to achieve proportions as high as those at the larger, older campuses.

UC stands ready to enroll additional California residents, but not without adequate financial support from State funds and/or tuition revenue sufficient to meet both enrollment demand and basic operating costs. In the absence of those resources, UC campuses are struggling to develop efficiencies, save costs, and generate new revenue to help maintain quality. Increasing the enrollment of nonresident undergraduates in order to provide additional revenue is a critical – and effective – strategy in UC’s efforts to preserve the quality of the education all undergraduates receive.

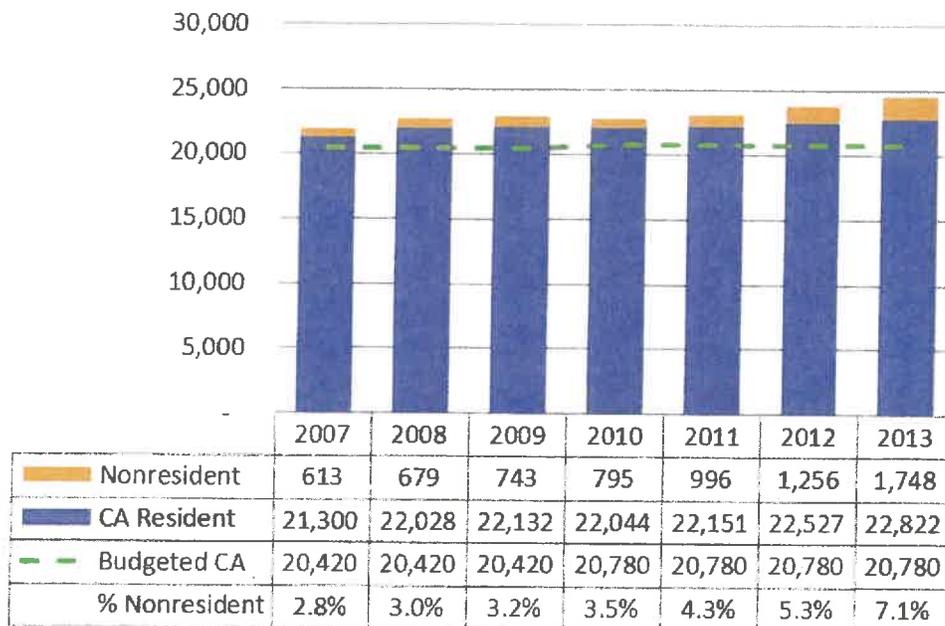
# Undergraduates by Residency

## Appendix I

### Berkeley

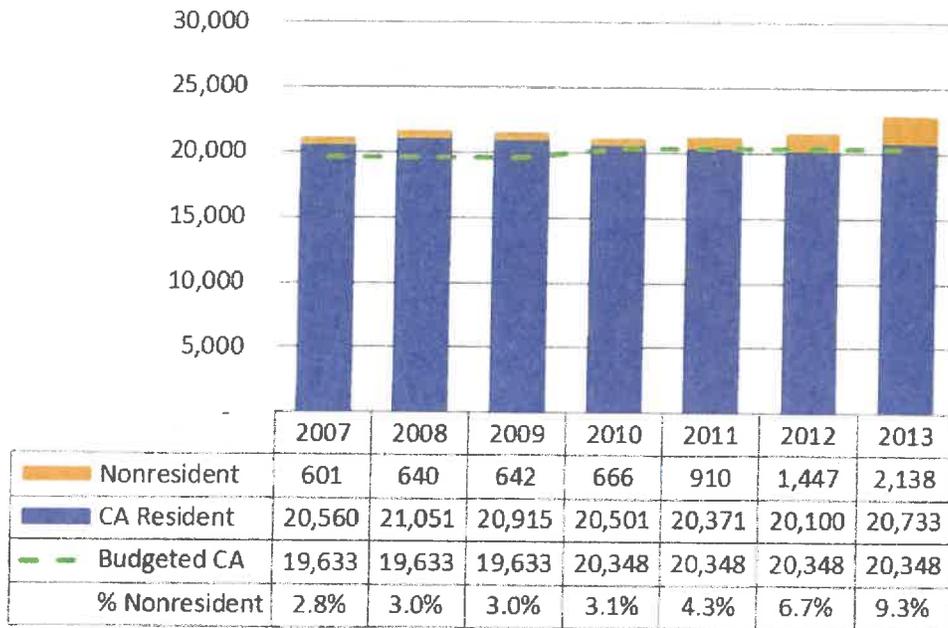


### Davis

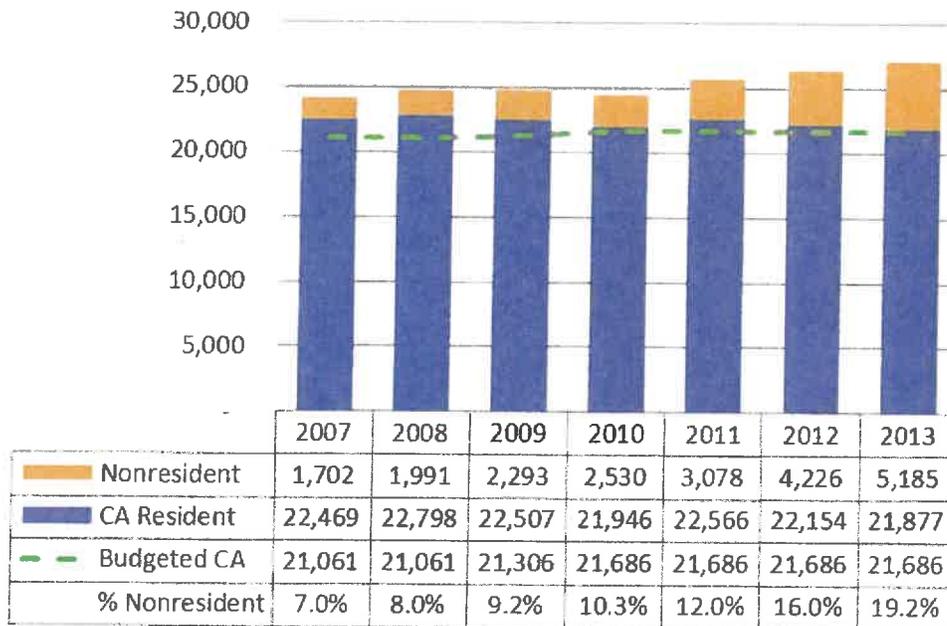


## Undergraduates by Residency

### Irvine

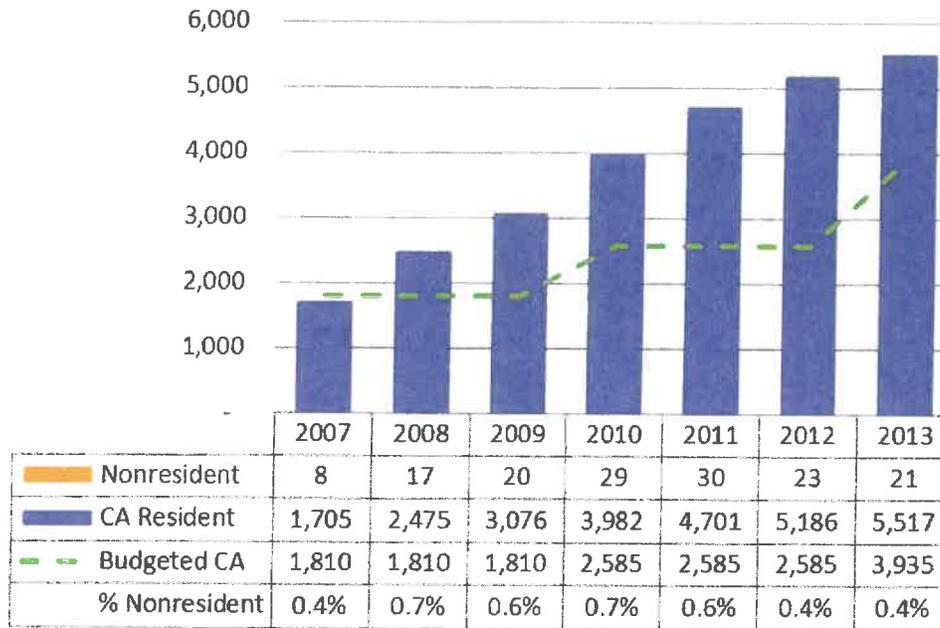


### Los Angeles

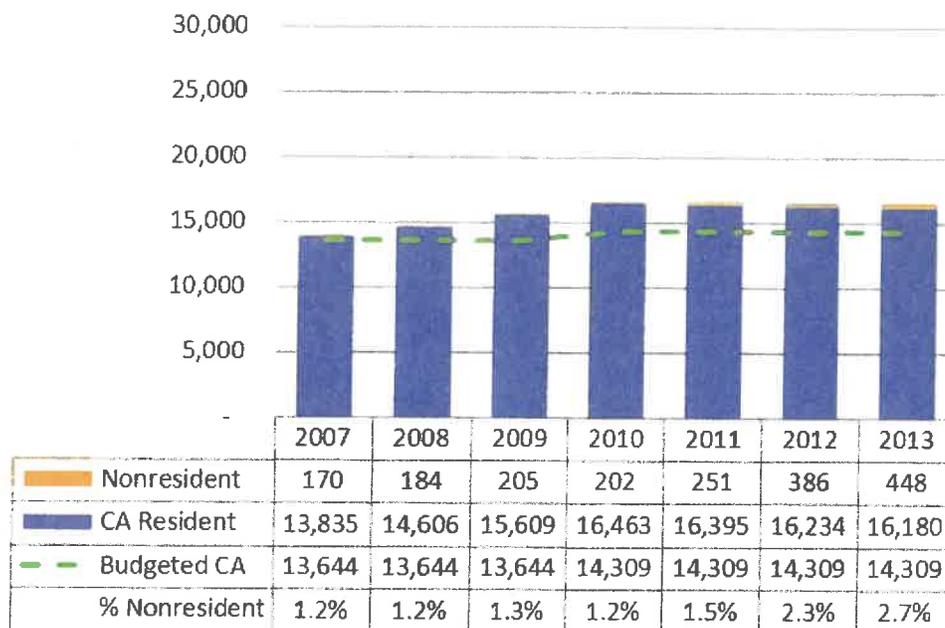


## Undergraduates by Residency

### Merced

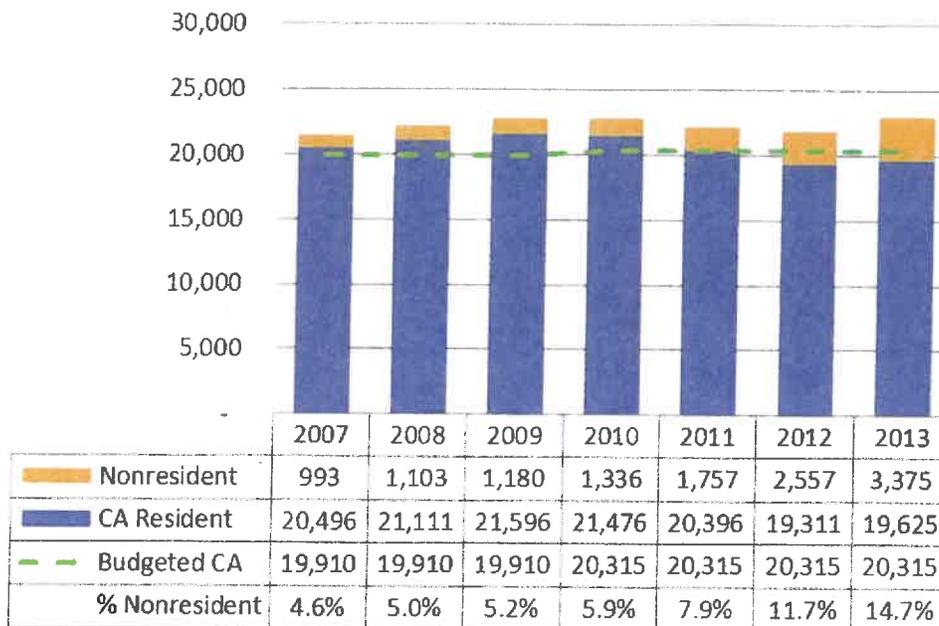


### Riverside

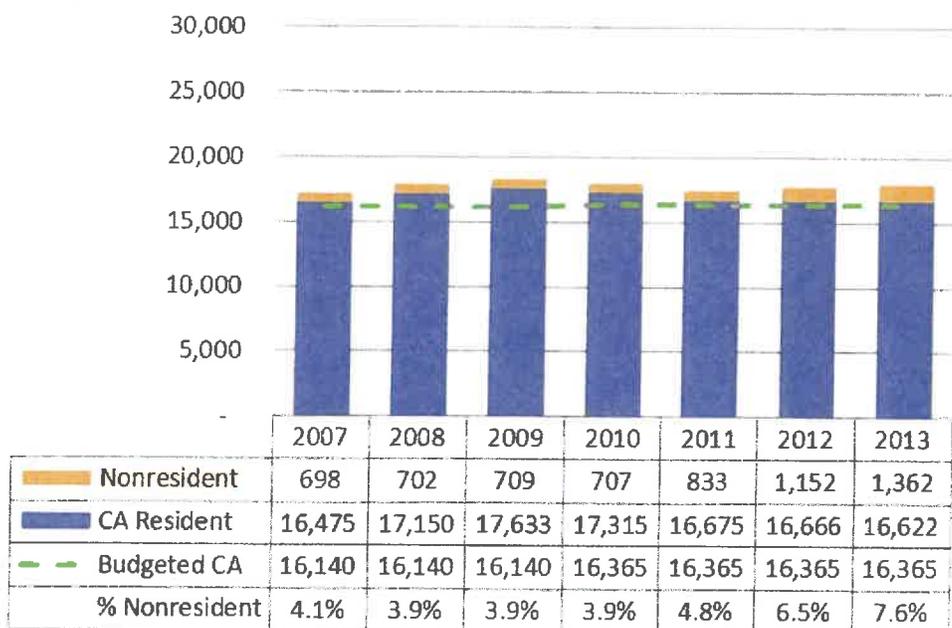


## Undergraduates by Residency

### San Diego

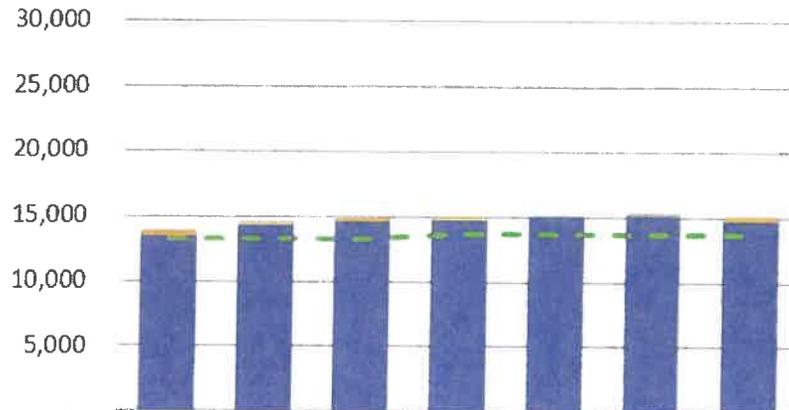


### Santa Barbara



## Undergraduates by Residency

### Santa Cruz



	2007	2008	2009	2010	2011	2012	2013
Nonresident	384	348	319	237	222	230	378
CA Resident	13,500	14,314	14,569	14,762	15,043	15,135	14,742
Budgeted CA	13,330	13,330	13,330	13,670	13,670	13,670	13,670
% Nonresident	2.8%	2.4%	2.1%	1.6%	1.5%	1.5%	2.5%