

The Regents of the University of California

COMMITTEE ON EDUCATIONAL POLICY

November 17, 2010

The Committee on Educational Policy met on the above date at UCSF–Mission Bay Community Center, San Francisco.

Members present: Regents Cheng, Island, Johnson, Kieffer, Lansing, Lozano, Marcus, and Pattiz; Ex officio members Gould, O’Connell, Yudof, and Zettel; Advisory members Hallett, Mireles, and Simmons; Staff Advisors Herbert and Martinez

In attendance: Regents Blum, DeFreece, De La Peña, Hime, Makarechian, Schilling, Varner, and Wachter, Regent-designate Pelliccioni, Faculty Representative Anderson, Secretary and Chief of Staff Griffiths, Associate Secretary Shaw, General Counsel Robinson, Chief Investment Officer Berggren, Chief Compliance and Audit Officer Vacca, Provost Pitts, Executive Vice Presidents Brostrom, Darling, and Taylor, Senior Vice President Stobo, Vice Presidents Beckwith, Duckett, Lenz, and Sakaki, Chancellors Birgeneau, Block, Blumenthal, Desmond-Hellmann, Drake, Katehi, White, and Yang, and Recording Secretary McCarthy

The meeting convened at 10:20 a.m. with Committee Chair Island presiding.

1. APPROVAL OF MINUTES OF PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the meeting of September 15, 2010 were approved.

2. ENROLLMENT OF NONRESIDENT UNDERGRADUATES AT THE UNIVERSITY OF CALIFORNIA

[Background material was mailed to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Provost Pitts presented information regarding enrollment of nonresident undergraduate students at UC as an informational basis for a recommendation that would be presented to the Regents at a future meeting. He emphasized that UC’s priority of enrolling all eligible California residents is demonstrated in several ways: UC guarantees admission to every eligible California resident; UC enrolls a high percentage of in-state students compared with other selective public universities; UC applies a higher admission standard for nonresident students; UC ensures that nonresident students do not displace funded California residents.

Dr. Pitts affirmed UC's historic commitment to California students, with in-state students comprising well over 90 percent of UC's undergraduate enrollment, both currently and in the past. Compared with other selective public universities, UC enrolls a high percentage of resident students. For example, UC Berkeley, UC San Diego, and UCLA currently enroll approximately 90 percent resident students, while the University of Wisconsin, the University of Michigan, the University of Colorado, and the University of Virginia enroll 60 to 70 percent resident students. The American Association of Universities public university average enrollment of resident students is approximately 75 percent, while UC currently enrolls 93 percent California residents.

Dr. Pitts pointed out that UC holds nonresident students to higher admission standards than resident students, as specified in the California Master Plan for Higher Education (Master Plan). Nonresident students typically complete more "a-g" subject requirements in high school, have higher Grade Point Averages (GPAs), and have outstanding scores on standardized admissions tests. Dr. Pitts commented that nonresident students also enhance the educational experience of resident students by adding geographic diversity to the student body.

In addition, many nonresident students proceed to attend graduate school in California; 62 percent of those attend graduate school in California and make lasting contributions to UC and the state. Nonresident students are less likely than resident students to be from low-income families, with 24 percent of nonresident students coming from low-income families, compared with 37 percent of resident students. Dr. Pitts pointed out that the large nonresident tuition almost certainly contributed to the difference in financial demographics between resident and nonresident students.

Dr. Pitts then turned to the ethnicity of resident and nonresident students. Between the two groups of students, percentages of Native Americans, African Americans, and Asian American-Pacific Islanders are similar; however, the percentage of Latino nonresident students is far lower than the percentage of Latino resident students. There are 46 percent white students among nonresident students, compared with 26 percent white students among resident students.

Dr. Pitts stated that nonresident students pay approximately \$23,000 per year more in tuition than resident students. Nonresident students currently comprise about six percent of undergraduate enrollment and provided over \$100 million in net tuition revenue in 2009-10. At its October 2010 meeting, the UC Commission on the Future approved a recommendation that UC increase nonresident enrollment to a level not to exceed ten percent systemwide.

Regent-designate Mireles asked if having more nonresident students would displace resident students. Dr. Pitts responded that, beginning in 2007-08, the State did not add financial support for enrolled students UC had accepted above the budget level, resulting in approximately 15,000 unfunded students over the subsequent several years. The State had added approximately \$50 million for increased enrollment the prior year; currently UC has about 11,000 unfunded students. Dr. Pitts stated that nonresident enrollment was

generally in addition to the long-range planning numbers for the campuses. He added that the extra fees paid by nonresident students helped to pay for the instruction of the unfunded resident students. Regent-designate Mireles asked if the addition of more nonresident students would make it harder for resident students to find classes, since classes were already crowded. Dr. Pitts responded that the extra fees paid by nonresident students could make it possible for the University to add more class sections.

Regent Johnson expressed concern about accepting more nonresident students to shore up funding, at the expense of minority or low-income California students who would qualify for UC admission. She commented that it would be difficult to justify admitting more nonresident students when resident students were having difficulty obtaining needed classes. Dr. Pitts responded that UC would continue to offer admission to every eligible California student. He emphasized that nonresident students materially supported the education of resident students. Nonresident students would enhance education for resident students by increasing both geographic diversity and material support. Even though the percentage of Latino students was lower among nonresident students, UC would continue to serve the California Latino population. Regent Johnson asked if the University planned to increase the percentage of nonresident students. Dr. Pitts noted that nonresident students are considered to be valuable additions to all public universities across the country.

Regent De La Peña asked what the required GPA and admissions process were for nonresident students. Dr. Pitts responded that high school performance of both domestic and international nonresident students was substantively better than that of resident freshmen. All students are admitted by the individual campus' method of review; the admission process is the same for all students. Regent De La Peña asked if a minimum 3.4 high school GPA was necessary for nonresident students. Dr. Pitts replied that the Master Plan required that nonresident applicants have a high school GPA at or above the median of resident students' high school GPAs. Regent De La Peña remarked that UC should not be in the position of having admitted students for whom it did not receive financial support. Dr. Pitts noted that the UC Commission on the Future was strongly committed to educating all funded California students. Nonresident students would be admitted only in addition to resident students.

Chairman Gould acknowledged that the interests of California students must be balanced with the benefits of admitting nonresident students. He anticipated that the report of the UC Commission on the Future would advocate careful management of the process and establishment of a systemwide ten percent cap on admission of nonresident students.

Regent Marcus asked why a ten percent cap would be necessary. Dr. Pitts responded that a ten percent systemwide average cap would provide sufficient room for growth of nonresident students for the current time, since nonresident enrollment now stood at six percent. He noted that, should State support of California students increase, given UC's commitment to educating resident students, a ten percent cap would be reasonable. Should the State still be unable to support resident students in the future, then the ten percent cap could be reevaluated.

Regent Marcus suggested studying the effect on the state of nonresident students who remain in California to attend graduate school and to work. Dr. Pitts reiterated that, of nonresident students who continue to graduate school, almost two-thirds attend graduate school in California.

Regent Schilling emphasized that UC undergraduates derive a benefit from the increased geographic diversity brought by nonresident students. The interest of educating students to be part of a global economy would be served by having students from differing backgrounds.

Regent Kieffer echoed the comments of Regents Marcus and Schilling, and asked how many UC nonresident graduates remain to live and work in California. Dr. Pitts responded that he would obtain this data. Regent Kieffer urged the collection of these statistics over an extended time to determine the benefit to the state from admission of nonresident students. Regent Kieffer questioned why a ten percent cap was necessary, since there was currently no cap on nonresident students. He urged consideration of merit scholarships for nonresident minority students. Dr. Pitts noted that a recent survey of UC graduates might provide data about how many nonresident graduate students remain in California after completing their education. Chancellor Drake pointed out that, in the field of medical education, approximately two-thirds of nonresident medical students remain in California following their residencies.

Regent Pattiz asked what percentage of nonresident students were international students and how many international students remain in the United States after completing their education. Dr. Pitts responded that he believed that international students represent one-quarter of the nonresident students. Chancellor Birgeneau responded that, at UC Berkeley, half of nonresident students are international students and half of the international graduates remain in the United States after completing their education.

Chancellor Birgeneau strongly agreed that there was great educational value in having nonresident students on campus. He noted that international students could both carry information about issues in the United States to their home countries and help resident students understand international issues. Chancellor Birgeneau advised that he opposed a ten percent cap on enrollment of nonresident students, as long as UC met its obligation to enroll all qualified California students. He advocated for individual campuses having discretion over how they make up their student body to optimize education for their undergraduates. Regent Pattiz agreed that there was no need for a ten percent cap.

Regent Zettel supported adding geographical diversity to the student pool. She expressed the opinion that a cap on nonresident enrollment was premature.

Responding to Regent Pattiz's question about foreign students, Chancellor Yang noted that the National Science Foundation reported that over the past five years an average of approximately 30,000 foreign-born students obtained Ph.D.s each year in the United States, representing 40 percent of the total, with two-thirds coming from China or India.

Of these, 92 percent expressed a desire to remain in the United States; approximately 56 percent actually stayed.

Regent Cheng asked if data were available to show that nonresident students were not displacing California students, particularly in their ability to enroll in necessary classes. Dr. Pitts reiterated that the higher fees paid by nonresident students would allow the addition of classes, faculty, and staff to support resident students. Regent Cheng pointed out that some UC campuses had a higher proportion of nonresident students than other campuses. He asked if the higher fees paid by nonresident students stayed with the individual campus; Dr. Pitts responded in the affirmative. Regent Cheng asked if having more nonresident students at UC Berkeley would benefit UC students on other campuses, for example at UC Merced. Dr. Pitts responded that there would be no material benefit to other campuses, aside from the increased reputation of the University as a whole.

Regent Cheng asked if it would be possible to track the correlation between an increase in acceptance of nonresident students and a reduction in class size or an increase in hiring instructors. Dr. Pitts responded that this issue was an overall economic argument and expressed the opinion that it would not be possible to trace an increase in income to the addition of specific classes. Dr. Pitts said that he would explore the question to see if it would be possible to obtain such data.

Chancellor Birgeneau commented that required reading and composition courses at UC Berkeley were no longer over-enrolled because the campus specifically applied new revenue from an increase in international students to fund required reading and composition courses. Similarly, UC Berkeley had now applied these funds to gateway courses in mathematics and physics, so those courses would no longer be over-enrolled. Chancellor Birgeneau also pointed out that his campus had used these additional funds for outreach programs to underrepresented minorities in California. He noted that the Berkeley campus would be able to track the effect that increased revenues from nonresident students had on class over-enrollment. Dr. Pitts said that the University could start to track such data.

Regent Makarechian pointed out that the current proposed fee increase of eight percent for the entire student body would result in an additional \$115 million in revenue, less than one percent of the operating budget. In contrast, enrollment of six percent nonresident students would generate \$110 million. He questioned applying a ten percent cap, given the economic considerations. Dr. Pitts responded that having a ten percent cap would emphasize UC's commitment to California students and provide time to evaluate the situation. He pointed out that the cap could be adjusted in the future.

Chancellor Katehi spoke in favor of attracting out-of-state students. She pointed out the intellectual advantage of having students from diverse backgrounds. She noted that UC Davis currently had only 3.4 percent nonresident students, a proportion too low to bring intellectual diversity into the classroom. Chancellor Katehi added that the financial benefits of nonresident enrollment made it possible to add nonresident students without penalizing resident students.

The meeting adjourned at 11:00 a.m.

Attest:

Secretary and Chief of Staff