

Office of the President

TO THE MEMBERS OF THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE:

DISCUSSION ITEM

For Meeting July 18, 2018

NONRESIDENT UNDERGRADUATES AND THEIR UNIVERSITY OF CALIFORNIA EXPERIENCE

EXECUTIVE SUMMARY

In prior discussions of nonresident undergraduate students and the policies that pertain to them, the Regents have affirmed (1) that enrollment of nonresident undergraduate students should not displace California resident students but instead be over and above the enrollment of State-funded California undergraduates, and (2) the importance of having nonresident undergraduate students at the University of California. Regents Policy 2109: Policy on Nonresident Student Enrollment states that “the University values highly the diversity of experience, cultures, and backgrounds that nonresidents provide and sees their presence on every UC campus as an important part of the learning experience for California students.” California’s social, cultural, and economic development is increasingly dependent on interactions with societies and cultures beyond its borders. Geographic diversity enhances the teaching and learning experience and contributes to the University’s academic quality and excellence. All students are better prepared to live in and work effectively in an increasingly global world through interactions with students from other states and nations.

Nonresident students, specifically non-California domestic and international undergraduates, represent just over 17 percent of UC’s undergraduate population. Through fall 2008, nonresidents represented approximately five percent of the undergraduate student body, but their share has grown, though their proportion is still much lower than at comparable public research universities.

This item provides the Regents background information about nonresident undergraduates, along with policies and programs that affect their educational experience.

BACKGROUND

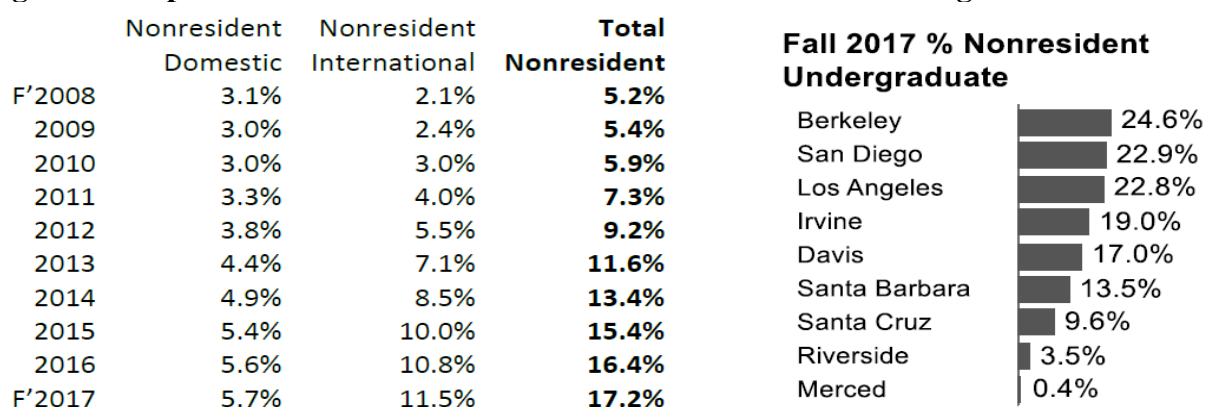
Nonresident Enrollment

Over the past decade, the nonresident share of undergraduate fall enrollment, defined as those paying nonresident tuition, has grown from 5.2 percent in fall 2008 to 17.2 percent in fall 2017, percentages which are still well below UC’s Association of American University (AAU) public

peers. In fall 2016, 16.5 percent of UC undergraduates were nonresident, compared to 28.7 percent at AAU non-UC public institutions.

In May 2017, the UC Board of Regents approved a policy that affirmed that nonresident undergraduates “will continue to be enrolled in addition to, rather than in place of, funded California undergraduates at each campus.” The Board also capped nonresident enrollment at 18 percent for five UC campuses (Davis, Merced, Riverside, Santa Barbara and Santa Cruz) and capped nonresident enrollment for the remaining four campuses (Berkeley, Irvine, Los Angeles, and San Diego) at the proportion each campus enrolled in 2017-18. The relevant campus percentages for fall 2017 are presented in Figure 1.

Figure 1: Proportion of Nonresident Domestic and International Undergraduates



Source: UC Information Center

Texas, Washington, New York, and New Jersey are the top states for UC’s domestic nonresidents, each representing approximately six percent of that population; whereas two-thirds of UC’s international students come from China.

Table 1: State and Country of Origin for Nonresident Undergraduates

Top 10 States for Domestic Nonresidents

Texas	6.2%	769
Washington	6.0%	742
New York	5.9%	730
New Jersey	5.8%	711
Illinois	4.8%	586
Florida	4.1%	501
Arizona	3.4%	424
Massachusetts	3.4%	421
Colorado	3.1%	378
Virginia	2.9%	352

Top 10 Countries of Citizenship for International Nonresidents

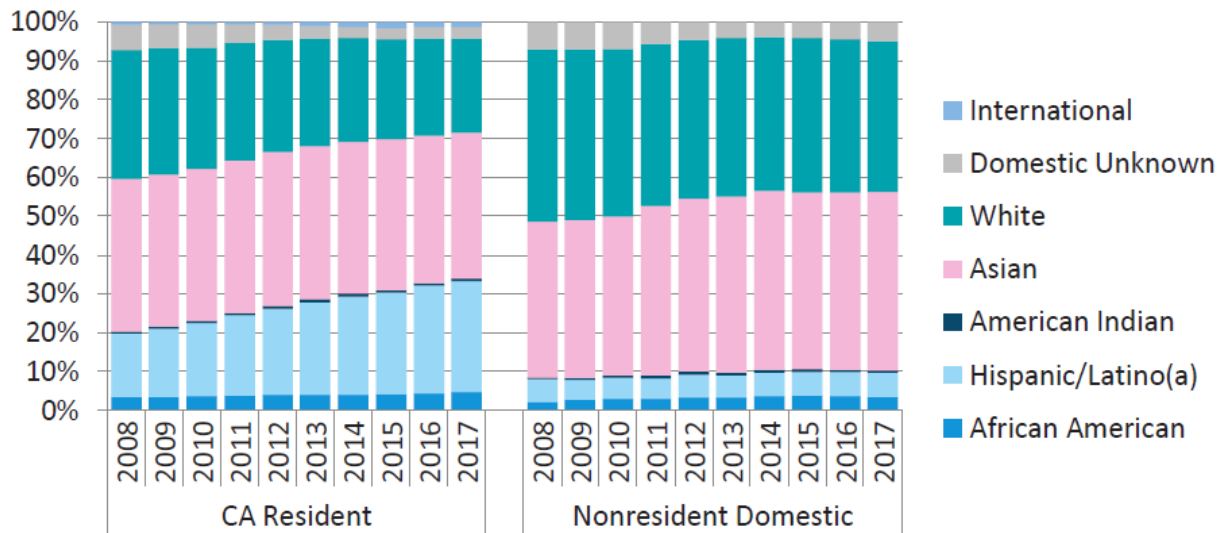
China	66.9%	16,624
South Korea	6.5%	1,623
India	5.1%	1,268
Taiwan	2.7%	676
Indonesia	2.1%	518
Canada	1.8%	445
Japan	1.3%	335
Malaysia	1.2%	289
Vietnam	0.9%	218
United Kingdom	0.8%	204

Source: Fall Enrollment file and UC Information Center

Demographics

UC domestic nonresident students are more likely to be White or Asian/Pacific Islander and less likely to be Hispanic/Latino(a) when compared to California residents. (See Figure 2.)

Figure 2: Race/Ethnicity Percentages for California Resident and Nonresident Domestic Undergraduates



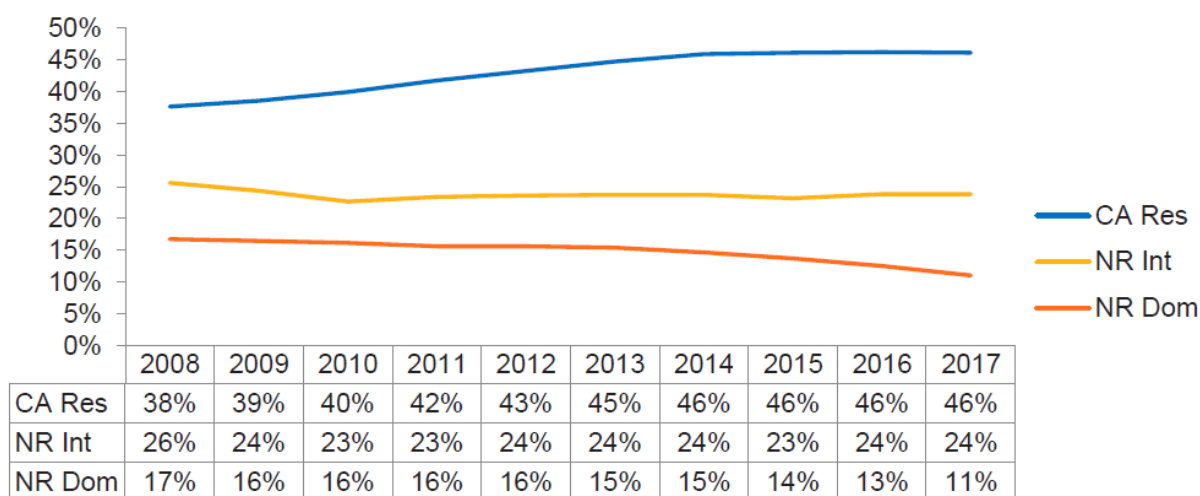
	Fall 2008			Fall 2017		
	CA Res	NR Dom	NR Int	CA Res	NR Dom	NR Int
African American	3.4%	2.2%		4.6%	3.5%	
Hispanic/Latino(a)	16.4%	5.8%		28.7%	6.2%	
American Indian	0.5%	0.5%		0.6%	0.5%	
Asian/Pacific Islander	39.2%	40.0%		37.5%	46.0%	
White	33.3%	44.4%		24.4%	38.9%	
Domestic Unknown	6.5%	7.0%		2.9%	4.8%	
International*	0.6%		100.0%	1.2%		100.0%

**Some international students have CA residency status for tuition purposes due to AB540 and other exemptions.*

Source: UC Information Center

In addition, the percentage of undergraduates who are first-generation (neither parent completed a four-year degree) is higher for California residents. Nonresident international students are more likely to be first-generation when compared to nonresident domestic students. (See Figure 3.)

Figure 3: Proportion of First Generation Undergraduates by Residency



Source: UC Information Center

Nonresident Tuition and Fees, Family Income, and Financial Aid

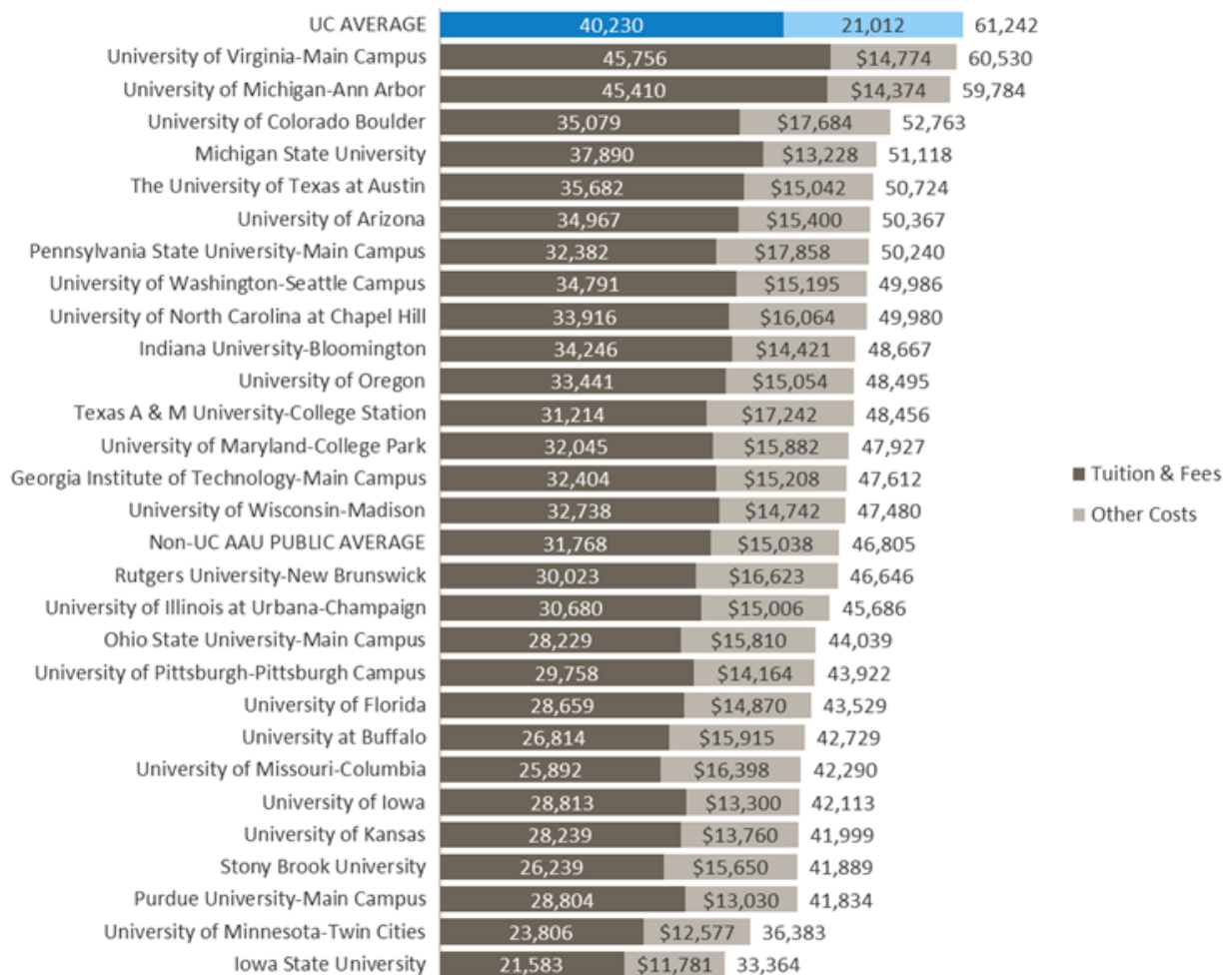
In 2016-17, UC's average nonresident total cost of attendance was higher than all AAU public institutions. (See Figure 4.) UC's tuition and fees were the third highest, behind Virginia and Michigan, while UC had the highest estimate on other costs when compared to other public AAU's.

In 2017-18, UC nonresident undergraduates living on campus had an estimated average total cost of attendance of \$62,714, with \$41,914 for tuition and fees and the remainder for other costs. In March 2018, the UC Regents approved a 3.5 percent increase in undergraduate nonresident supplemental tuition, increasing it from \$28,014 in 2017-18 to \$28,992 for 2018-19, a \$978 increase. The Regents' action included a provision that the University will advocate to the State that it provide funding in the 2018-19 State budget to "buy out" this increase. The final State budget signed by Governor Brown on June 27, 2018 did not include that buy out.

UC campuses used to be able to provide need-based grants as a potential source to support low-income nonresident undergraduate students, but as a direct result of the 2015 State budget adoption process, the Regents directed these funds be used to support the enrollment of additional California resident undergraduates instead, consistent with the expectation of the Legislature and language in the Budget Act of 2015. Beginning in 2016-17, the University was asked to phase out funding for need-based grants for nonresident students. Students who entered UC before fall 2016 would still remain eligible to be considered for awards while they

progressed toward their degree objectives, but cohorts of new nonresident undergraduates entering UC in fall 2016 or later would no longer be eligible. This change resulted in an estimated \$15.5 million to be used to support the enrollment of California residents in 2016-17 and then an additional \$14 million in 2017-18. The funds available to support enrollment would continue to grow as the nonresidents who enrolled prior to 2016 and received institutional financial aid graduate. The Regents' action on nonresident tuition in March of 2018 included a provision that the University would advocate that the State enable the University to offer financial aid to needy nonresident students – that too was not approved as part of the final State budget.

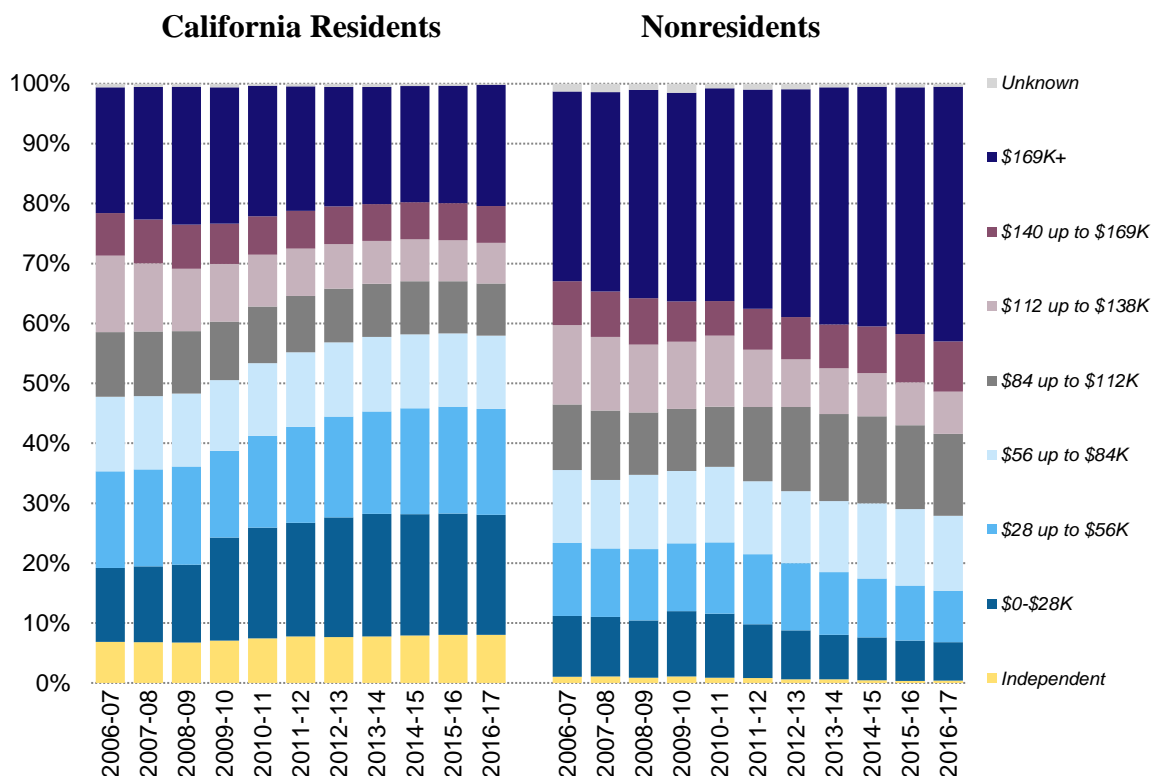
Figure 4: Nonresident Tuition & Fees and Other Costs for AAU Public Institutions, 2016-17



Source: UC Accountability Report

When compared to California resident undergraduates, nonresidents tend to be wealthier and less likely to be independent students. (See Figure 5.) As the proportion of low-income California residents has increased over the decade, it has declined over the same time period for nonresidents students. With the loss of institutional need-based aid, it is possible that trend could continue into the future.

Figure 5: Parental Income for California Resident and Nonresident Undergraduates



Source: UC Financial Aid data files

Nonresident Undergraduate Experience

According to the 2016 UC Undergraduate Experience Survey (UCUES), levels of student satisfaction with their GPA and academic experience are similar for California residents, domestic nonresidents and international nonresidents. Both domestic and international nonresidents were less satisfied compared to their California counterparts with the value of their education for the price paid. International students were more likely than their peers to report both that they feel “valued as an individual at this institution” and that “Top campus administrators are genuinely committed to promoting respect for and understanding group differences.” Feelings of belonging were similar regardless of residency, as was agreement with the statement that “Knowing what I now know, I would still choose to enroll at this campus.” International students were far more likely to report exclusion from study groups based on their

group membership. There was similar agreement by residency that “Channels for expressing discrimination or harassment complaints are readily available to students.”

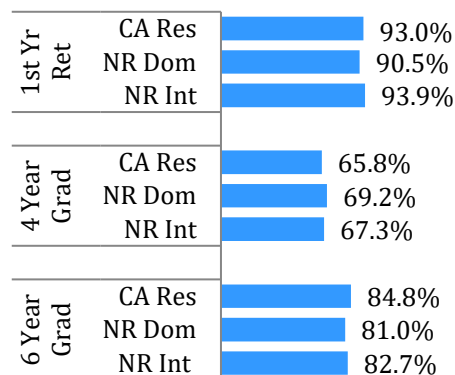
International students reported more academic engagement on several measures in UCUES, including communicating with instructors outside of class, finding courses so interesting that they did more work than required, making a class presentation, and seeking academic help from instructors or tutors. On the other hand, they were less likely to report having chosen challenging courses. Nonresident domestic students were generally similar to California peers on these measures.

Nonresident Outcomes

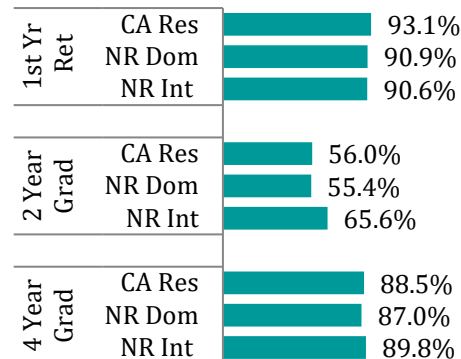
California resident undergraduates have slightly higher first-year retention rates than nonresident domestic student. But domestic nonresidents and international students that come in as freshmen have higher first year GPA and lower probation rates, suggesting these slightly lower retention rates may be due to other factors beyond academic performance.

Figure 6: Retention and Graduation Rates by Residency

Freshman



Transfer



Source: UC Information Center

Table 2: Average First Year UC GPA and Probation Rate by Residency, Fall 2016 Cohort

	First Year UC GPA	Probation Rate
California Resident	3.08	4.5%
Domestic Nonresident	3.31	1.4%
International	3.26	3.8%

Source: Freshman cohort file

Nonresident domestic students have higher freshman four-year graduation rates than do California resident or international students. At six years, nonresident domestic students have slightly lower rates. Transfer international students are much more likely to graduate within two years than their domestic peers. Nonresident freshman entrants are also more likely to graduate within three years; the most recent cohort shows that 6.8 percent of international freshman entrants and 4.7 percent of domestic nonresidents graduate in three years, compared to 2.8 percent of California residents. Nonresident freshman entrants also have shorter time to degree, 4.07 years for domestic nonresidents, 4.09 years for international students, and 4.19 years for California residents.

Freshman four-year graduation rates have improved for all groups by residency. Among transfer students, retention and graduation rates vary slightly over time.

Table 3: Freshman Graduation and Retention by Residency over Time by Entering Cohort

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1st Yr	California Res	92.3	91.8	92.7	93.1	93.2	92.9	92.9	93.0	93.2	93.7	93.0%
Retention	NR Dom	89.2	88.6	87.6	86.8	88.1	88.7	88.9	90.6	90.4	91.1	90.5%
	NR International	88.0	89.7	88.4	90.2	90.7	89.9	90.8	92.5	92.0	92.8	93.9%
4 Year	California Res	60.4	60.1	61.5	63.3	62.1	63.9	64.2	65.8			
Graduation	NR Dom	61.5	60.6	60.0	61.9	65.9	65.1	64.0	69.2			
Rate	NR International	56.5	57.2	61.0	63.4	66.6	64.3	64.8	67.3			
6 Year	California Res	84.0	83.4	84.4	85.4	84.9	84.8					
Graduation	NR Dom	79.8	78.5	77.0	77.8	81.4	81.0					
Rate	NR International	78.9	76.2	77.1	82.5	84.7	82.7					

Source: UC Information Center

Table 4: Transfer Graduation and Retention by Residency over Time by Entering Cohort

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1st Yr	California Res	92.2	92.0	93.0	92.8	93.3	93.7	94.2	94.0	93.8	93.9	93.1%
Retention	NR Dom	92.5	88.9	87.3	89.9	89.0	90.4	91.0	91.9	91.3	90.6	90.9%
	NR International	93.1	92.3	90.8	90.3	91.4	90.0	89.5	91.9	92.2	90.6	90.6%
2 Year	California Res	49.9	48.7	50.9	52.1	53.1	54.1	54.1	53.8	53.9	56.0	
Graduation	NR Dom	51.9	52.9	49.5	51.1	51.2	47.8	53.7	51.4	54.9	55.4	
Rate	NR International	65.2	61.7	62.1	63.1	66.4	62.1	61.3	63.9	66.2	65.6	
4 Year	California Res	84.9	84.9	85.9	86.0	87.2	87.8	88.5	88.5			
Graduation	NR Dom	87.2	84.9	83.7	84.8	86.6	87.5	86.0	87.0			
Rate	NR International	90.5	89.0	87.3	87.9	90.4	89.2	86.7	89.8			

Source: UC Information Center

UC graduates more than 4,000 undergraduate nonresidents per year and this number will grow as recent nonresident cohorts reach graduation in the coming years. Nonresidents are more likely to earn STEM (science, technology, engineering and math) degrees than California residents (38 percent compared to 31 percent).

UC alumni records show over 50 percent of domestic nonresidents and 60 percent of international students remain in California. Overall, around 30 percent of nonresidents are employed in California initially after completing their UC degrees; this figure increases to around 45 percent in the longer term. Domestic nonresidents are more likely to become employed in California both immediately after graduation and in the longer term (around 45 percent). With earlier cohorts, around 40 percent of international nonresidents were employed in California. In recent years, only ten to 20 percent of international nonresidents become employed in California initially after completing their UC degrees. These figures are conservative because of the difficulty in matching international students who do not have a Social Security number to link to State employment records. As a comparison, about 85 percent of California residents become employed in California after graduation, which drops to about 80 percent longer term.

Once employed, nonresidents are more likely to be employed in the business/commerce and high-tech industries, compared to California residents (18 percent compared to 15 percent for business/commerce and 20 percent compared to 15 percent in high-tech industries).

Programmatic Support

All UC campuses that host undergraduate nonresident international students have a number of programs to support their enrollment, arrival, transition, and success. Programs generally fall into the following categories: immigration, visa, and tax services; orientation; academic advising and resources; employment and career development; student leadership programs; life on- and off-campus; language and family resources; and social programs and campus events. Many campuses have downloadable orientation and arrival guides; language classes; peer mentorship programs; information on housing, driver's licenses and other practical issues; weekly coffee hours; and Optional Practical Training seminars. One campus (UCSB) has even created Global Skills Seminars for faculty, staff, and teaching and research assistants to help them understand international student trends and issues.

Campuses have identified promising practices, including an extended orientation course for students (e.g., I-STEPS at UC Irvine) and programs that allow students to share cultural perspectives, not only among international nonresident students, but also among international and domestic resident and nonresident students, as well. Among areas identified as in need of support are mentorship (a structured program) and the availability and contact international students have with advisors – whether that be through improving the ratio of advisors to students or simply offering opportunities to meet with advisors who can provide support and direction in different areas (academics, immigration issues, health and wellness, cultural adjustment, etc.).

Conclusion

Almost two of every ten undergraduates are nonresident students at UC. Nonresident students add to the diversity of the University and succeed at UC. They contribute to California after they graduate, particularly in the business and technology industries.