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January 30, 2023

Director Joe Stephenshaw
Department of Finance
915 L Street
Sacramento, California 95814

The Honorable Nancy Skinner
Chair, Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, California 95814

Dear Director Stephenshaw and Senator Skinner:

Pursuant to subdivision (d) of Section 93000 of the Education Code, I am writing to provide you with (a) estimated resident and nonresident undergraduate enrollment for each University of California campus in 2022-23, and (b) an estimate of the projected cost associated with further reducing nonresident enrollment at the Berkeley, Los Angeles, and San Diego campuses in 2023-24 in order to enroll additional California resident undergraduates next year.

Resident and nonresident enrollment figures are shown in Display 1, below, for each undergraduate campus. Figures reflect projected year-average headcount (YAHC) enrollment for the 2022-23 academic year—i.e., fall, winter, and spring terms—based on fall 2022 enrollment.

Display 1: 2022-23 California Resident and Nonresident Undergraduate Enrollment by Campus (Estimated Year-Average Headcount)

Campus	California		Nonresident
	Resident	Nonresident	Share
Berkeley	24,084	7,440	23.6%
Davis	24,927	5,486	18.0%
Irvine	22,732	4,825	17.5%
Los Angeles	24,416	6,813	21.8%
Merced	7,970	30	0.4%
Riverside	20,734	910	4.2%
San Diego	24,900	6,827	21.5%
Santa Barbara	18,460	4,256	18.7%
Santa Cruz	15,636	1,401	8.2%
UC	183,859	37,990	17.1%

The [University of California 2022 Multi-Year Compact Annual Report](#), which was submitted in November 2022, includes a multi-year schedule for reducing the share of nonresident enrollment at the Berkeley, Los Angeles, and San Diego campuses to 18 percent by 2026-27. The reductions would occur through a combination of reducing nonresident enrollment and increasing California resident enrollment at each campus. Display 2, below, shows the enrollment changes that are proposed for 2023-24.

Display 2: Projected Change in California Resident and Nonresident Undergraduate Enrollment at the Berkeley, Los Angeles, and San Diego Campuses (Year-Average Headcount)

Campus	2022-23			2023-24			Change	
	California Resident	Nonresident	Share	California Resident	Nonresident	Share	California Resident	Nonresident
Berkeley	24,084	7,440	23.6%	24,638	6,973	22.1%	555	(467)
Los Angeles	24,416	6,813	21.8%	25,197	6,515	20.5%	781	(298)
San Diego	24,900	6,827	21.5%	25,558	6,671	20.7%	659	(157)
Total	73,400	21,081		75,394	20,159		1,994	(922)

As shown in Display 2, proposed 2023-24 enrollment at these three campuses reflects a growth of 1,994 California residents (YAHC): 922 associated with a reduction in nonresident enrollment, plus an additional 1,072 to be supported by enrollment growth funding that is already part of the University’s base budget.

State support is critical to avoiding the negative impact that reducing nonresident enrollment would otherwise have on these campuses and on the California resident students whom they enroll. Specifically, State support is needed both to (a) offset the resulting decline in nonresident tuition revenue and (b) address the increase in financial aid-eligible students that would result from replacing 922 nonresident undergraduates with an equal number of resident students. As shown in Display 3, below, we estimate that additional State support of \$31.9 million would be needed to preserve the level of instruction, student services, and financial aid that these campuses currently provide to their students. (Note that a reduction of 922 students on a YAHC basis is equivalent to a reduction of 902 students on a full-time equivalent, or FTE, basis. Since the State traditionally funds enrollment based on FTE enrollment, calculations are based on 902 FTE instead of 922 YAHC).

Display 3: Fiscal Estimate of the Impact of Further Replacing Nonresident Undergraduates with California Resident Undergraduates in 2023-24

Funding Required Per Student

Replace lost Nonresident Supplemental Tuition (NRST) revenue (Average NRST rate across all cohorts)	\$31,001
Per capita UC aid for California resident undergraduates	\$4,411
Total required per student	\$35,412
Number of Students (FTE)	902
Total Funding Required (\$M)	\$31.9

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If you have any questions or request additional information, Associate Vice President David Alcocer would be pleased to speak with you. He can be reached by telephone at (510) 987-9113, or by e-mail at David.Alcocer@ucop.edu.

Thank you, as always, for your tremendous support for the University of California.

Sincerely,



Nathan Brostrom
Executive Vice President - Chief Financial Officer

cc: Senate Budget and Fiscal Review
The Honorable John Laird, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Mr. Christopher Francis)
(Attn: Mr. Kirk Keely)
The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee #2
(Attn: Mr. Mark Martin)
(Attn: Ms. Sarah Haynes)
Mr. Hans Hemann, Joint Legislative Budget Committee
Ms. Erika Contreras, Secretary of the Senate
Ms. Amy Leach, Office of the Chief Clerk of the Assembly
Ms. Sue Parker, Office of the Chief Clerk of the Assembly
Mr. Chris Ferguson, Department of Finance
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