



OFFICE OF THE PRESIDENT

NELSON PEACOCK

Senior Vice President – Government Relations

Office of State Governmental Relations

1130 K Street, Suite 340

Sacramento, California 95814

(916) 445-9924

Steve Juarez, Associate Vice President and Director

July 9, 2015

The Honorable Carol Liu
Chair, Senate Education Committee
State Capitol, Room 2083
Sacramento, CA 95014

Re: SCA 4 (Nguyen), as amended on May 28, 2015
Set for hearing in the Senate Education Committee on July 15, 2015
Position: OPPOSE

Dear Senator Liu,

The University of California must respectfully oppose SCA 4, which would require UC to ensure that no more than 10 percent of the undergraduate students enrolled at any UC campus be nonresidents and preclude any increase in UC undergraduate tuition for the five-year period from 2016-17 through 2020-21. Nonresident students are an important part of the academic and social vitality of our system, as well as a valuable source of revenue that has supplemented the state's investment. In fact, the recently enacted 2015-16 Budget Act recognizes the importance of this funding source, depending on an increase in non-resident supplemental tuition (NRST) from 5 to 8 percent and requesting UC use some of these funds to accommodate California resident enrollment growth.

The University acknowledges the need to address the rising costs of education and maintain access for qualified California students, and we know the Legislature shares these goals as well. However, we believe that SCA 4 will neither protect students and their families, nor create more opportunities for California students to attend UC. In the long run, this amendment would undermine the quality of a University of California education.

Nonresident enrollment cap

UC has long recognized the value of enrolling students from other states and countries. They bring a diversity of backgrounds and perspectives to our campuses and add an important dimension to the educational experience. However, California residents have priority for admission at the University of California, and as the Public Policy Institute for California recently reported, UC has always honored its commitment to the California Master Plan for Higher Education, even during the recent Great Recession. Nonresidents are enrolled *above and beyond* the capacity for UC to enroll California residents and must meet higher academic standards.

In the 2014-15 academic year, 13% of UC undergraduates are nonresidents, compared to the 26% average of other American Association of Universities public institutions. In fact, four of the nine UC campuses have only increased nonresident enrollment by 5 percentage points or less during the recent time period when UC experienced deep cuts in state funding, and nonresident enrollment has been capped for the coming year at those campuses that have seen the largest growth—Berkeley, Los Angeles, and San Diego.

In addition to the academic vitality they bring to our campuses, nonresident students also provide an important source of revenue that helps UC maintain quality, access and affordability for California students, especially as state funding has declined. Without this revenue source, UC would not have been able to honor California's Master Plan and admit all eligible students. Nonresident students pay the same tuition as California residents, plus a supplemental fee of about \$22,878 a year. Based on 2014-15 figures, compliance with SCA 4 would mean reducing nonresident enrollment at UC campuses by about 8,300 full-time equivalent students resulting in over \$100 million of lost revenue net of instructional costs. Revenue from nonresidents has been targeted for supporting programs central to improving graduation rates, including ensuring adequate course sections are offered, particularly for critical "bottleneck" courses; improving student advising; restoring library hours that had been cut during the recent budget crisis; and maintaining graduate student support so that graduate students can help provide instruction for undergraduate students.

Tuition freeze

The University recognizes the challenges that students and families face in paying for the cost of education, and we are working diligently to provide students stability and predictability with regard to tuition. As part of the 2015-16 Budget Act, UC systemwide tuition will not increase for the next two years, resulting in a six-year tuition freeze. However, we must object to SCA 4's proposed five-year moratorium on tuition increases, which will serve only to exacerbate the need for significant tuition increases in the future without a commitment of adequate state support.

Neither the restriction on nonresident enrollment nor the capping of tuition levels proposed in SCA 4 will promote the University's efforts to provide a high-quality education to Californians; instead this goal will become more difficult to achieve.

As always, the University appreciates your consideration of our views. Should you have any questions about the University's opposition to SCA 4, please do not hesitate to contact me at (916) 445-9924.

Sincerely,

A handwritten signature in black ink that reads "Steve Juarez". The signature is fluid and cursive, with the first name "Steve" and last name "Juarez" clearly legible.

Steve Juarez
Associate Vice President and Director

cc: Senator Janet Nguyen
Vice Chair and Members, Senate Education Committee
President Napolitano
Provost Aimeé Dorr
Executive Vice President and CFO Nathan Brostrom
Senior Vice President Nelson Peacock