



UNIVERSITY  
OF  
CALIFORNIA

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# Straight Talk on Hot-Button Issues

UC Admissions, Finances,  
and Transparency

2016



The background of the entire page is a photograph of a large crowd of people, likely students, at a university event. The image is overlaid with a semi-transparent blue filter. In the foreground, several individuals are visible: a woman on the left wearing a blue denim jacket and holding a water bottle and a smartphone; a woman in the center with long dark hair and a colorful patterned backpack; and a woman on the right with a ponytail. The crowd extends into the background, creating a sense of a busy, large gathering.



# Contents

Straight Talk on Hot-Button Issues:  
UC Admissions, Finances, and Transparency

March 2016

EXECUTIVE SUMMARY ..... 2

EDUCATING CALIFORNIA'S TOP  
STUDENTS IS CENTRAL TO UC'S MISSION ..... 4

UC POLICIES OVERWHELMINGLY  
FAVOR CALIFORNIA RESIDENTS..... 6

UC ALLOCATES STATE FUNDS THROUGH  
A TRANSPARENT, FAIR, AND EFFECTIVE PROCESS. .... 12

UC IS AN EFFECTIVE, RESPONSIBLE  
STEWARD OF ITS FINANCIAL RESOURCES ..... 15

UC IS INCREASING DIVERSITY  
AND ENHANCING SOCIOECONOMIC MOBILITY..... 25

# Executive Summary

Through its teaching, research, and public service missions, the University of California sustains an unbroken commitment to bettering the lives of Californians. For 148 years, that commitment has endured despite political shifts in Sacramento, state budget cuts, and national financial crises, including the recent Great Recession. Today, UC's commitment to Californians is stronger than ever.

## UC's Commitment to California Students

The University of California accepts every California high school student applicant, and every California community college transfer applicant, who meets its eligibility criteria for admission. Even when the University faced nearly \$1 billion dollars in state budget cuts, UC found a place at one of its campuses for all eligible California applicants who applied—at a time when other California public institutions turned away tens of thousands of students. This year, the University further expanded its commitment to Californians: UC will enroll 5,000 more California undergraduates in 2016-17 than in 2014-15, and plans to enroll an additional 5,000 California undergraduates in the following two years.

The admission and enrollment of California students is independent from that of out-of-state students. The tuition that out-of-state students pay—which, for undergraduates, is nearly triple the tuition of California students—generates over \$800 million each year that directly benefits California students in many ways, sustaining the quality of UC's academic programs and providing services that support student success.

UC's commitment encompasses all Californians, and that includes helping to prepare and recruit California high school students from underrepresented groups. Those efforts have achieved significant results: in the past six years, the number of California underrepresented minority freshmen at UC has increased by 34 percent, and the number of California underrepresented minority transfer students has increased by 24 percent. Last year, the New York Times College Access Index recognized UC's enrollment of high-performing students of all backgrounds, and ranked six UC campuses in the top 10 universities nationwide for economic diversity. As the *Times* wrote, "The University of California is struggling with budget

woes that have deeply affected campus life. Yet the system's nine colleges still lead the nation in providing top-flight higher education to the masses." As applications rise every year—in 2015, more than 200,000 students applied to the University for the first time in its history—UC remains committed to serving as an engine of social mobility for low-income and first-generation California college students.

## UC's Commitment to the State of California

The University of California has a demonstrated track record of aggressive cost-saving efforts and efficiencies. UC has cut and controlled administrative costs, prioritized affordability for California students, and proactively undertaken many new accountability and transparency efforts. In the years following the Great Recession, the University eliminated thousands of staff positions and launched its Working Smarter initiative, which cut costs and generated new income totaling over \$660 million. Tuition for California undergraduates has remained flat for five straight years.

The University's commitment to the state includes being fully transparent about its budget and outcomes. UC's comprehensive annual budget is reviewed and voted on every November at UC's public board meeting, and extensive data about the University's many enterprises—including campus-level metrics—are provided to the public via the UC website, the online UC Information Center, annual financial statements, and dozens of reports requested by the state Legislature. The University also publishes an annual Accountability Report, which provides detailed information about affordability, student outcomes, and the employment of UC graduates, among many other topics.

UC affirms its commitment to the state of California even though the budget cuts of the past several years have only been partially restored. As the Public Policy Institute of California recently observed, "Over the past 15 years, per student General Fund allocations have fallen by more than 40 percent at CSU and by more than 50 percent at UC [...] Recent increases in General Fund allocations have not made up for the previous cuts." During this same time period, however, UC maintained its commitment to delivering a high quality education to its students. Graduation rates improved and continue to rise, and more than half of UC

California resident undergraduates have had their tuition and fees fully covered by grants or scholarships.

### **UC's Commitment to the People of California**

The University of California is the land-grant university for the state. In addition to UC's significant economic impact on California—UC research generates five inventions a day, for example, and California-based startups based on UC technology generated more than \$14 billion in revenue in 2014 alone—the University's land-grant mission means that UC is charged with undertaking research and public service efforts that speed the discovery of new knowledge, enrich K-12 education, and enhance the well-being of all Californians.

UC fulfills this commitment in many ways, from educating and training more than 50 percent of the doctors and medical residents in California, to undertaking agricultural cooperative extension in every California county, to sending UC staff members into California high schools for college advising and preparation. This commitment to the people of California is essential to the ethos of the University. It is a privilege for UC to uphold this commitment year after year.

# Educating California's top students is central to UC's mission

## UC keeps its Master Plan promise to admit all eligible Californians.

UC's admissions policies are based on the California Master Plan for Higher Education: if a California high school graduate meets the University's eligibility requirements and applies to UC, UC will find a place for that applicant at a UC campus. The Master Plan explicitly requires the state to provide the resources for UC and CSU to find places for all eligible students.<sup>1</sup>

UC complies with this policy each year by ensuring every eligible applicant is offered a place at one of its nine undergraduate campuses. Moreover, UC has continued to meet or exceed this obligation even in years when the state did not provide the requisite funding. UC currently enrolls more than 7,000 students for whom it has not received state funding. By contrast, during the most recent economic downturn, other California higher education institutions turned away tens of thousands of applicants who met all requirements for admission.

## State funding determines how many California residents UC enrolls.

Many people mistakenly believe UC campuses have a set number of available spaces and if students from outside California take those spaces, fewer spaces remain for California residents. But nonresident students do not displace California students. Data and background can help explain the facts.

Enrollment of California students depends on two factors: UC's unbroken commitment to enroll California students consistent with California's Master Plan for Higher Education and the availability of state dollars to fund resident enrollment growth.

<sup>1</sup> Education Code 66202.5 "The State of California reaffirms its historic commitment to ensure adequate resources to support enrollment growth, within the systemwide academic and individual campus plans to accommodate eligible California freshmen applicants and eligible California Community College transfer students... The University of California and the California State University are expected to plan that adequate spaces are available to accommodate all California resident students who are eligible and likely to apply to attend an appropriate place within the system. The State of California likewise reaffirms its historic commitment to ensure that resources are provided to make this expansion possible, and shall commit resources to ensure that students from enrollment categories designated in subdivision (a) of Section 66202 are accommodated in a place within the system."

UC continues to admit all applicants from the top one-eighth of students who graduate from California high schools. Each UC campus sets its California resident enrollment targets based on the availability of state funds to help pay for their education. These targets are independent of nonresident enrollment.

Some in California have called for UC to limit the number of nonresident students it enrolls, thinking this would make room for more Californians or provide additional opportunity for more California students. This isn't true. The immediate impact of reducing the number of nonresidents at the University would be less funding for all UC students. Like other governmental agencies, UC's state funding hasn't fully rebounded from the significant budget cuts of the recent recession and it is unlikely that the state will be positioned to replace the more than \$800 million that nonresidents bring to the University each year. Absent additional state funding, the reduced revenues would lead to decreases in the quality of academic programs and services for all UC students or increases in tuition. The burden of either scenario would fall squarely on California students and their families—an impact UC has tried to avoid by increasing revenues from outside California.

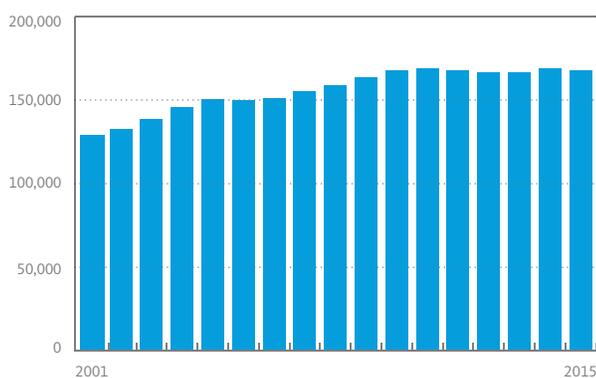
## Increasing California enrollment requires state funding.

Until recently, the state had not allocated funds specifically for enrollment growth since 2010-11. Hit by the worst economic downturn since the Great Depression, California was unable to provide sufficient funding for UC or other state agencies for many years. As a result, even before taking inflation into account, the state provides UC with less funding today than it did in 2007-08, even though the University enrolled nearly 9,000 more California undergraduate students in fall 2015 compared to fall 2007. In recent years the state has partially restored its past support of UC's base budget by gradually increasing annual appropriations, as it has done with other governmental agencies. These increases have been vital to UC's ability to maintain its commitment to the Master Plan. But they must be placed in context. By themselves, these appropriation increases don't cover the University's mandatory cost increases caused by inflation, collective bargaining agreements, retirement plan contributions, and the faculty merit program, for example.

This reflects a profound change in how the University is funded and affects the University's ability to meet growing demand among California students for a UC education.

- Historically, the state provided funding to meet UC's projected enrollment growth. Before the fiscal crisis of the early 1990s, the state provided the primary support for the cost of educating California residents. Each year, the state provided enrollment funding based on UC projections of how many students should be enrolled. Funding levels were projected for the following academic year, so UC could plan for expected funded growth. If UC enrolled above or below projections, the state would adjust UC's budget accordingly.
- As California headed into a fiscal crisis in 2008-09, the University found itself in the position of enrolling more California students than the state paid for, making funding of enrollment no longer a certainty. This uncertainty about adequate state funding for enrollment growth—not nonresident enrollment—has limited the University's ability to increase California undergraduate enrollment since then.

**DISPLAY 1 CALIFORNIA UNDERGRADUATE ENROLLMENT STOPPED GROWING WITH THE GREAT RECESSION**



Fall enrollment of California resident undergraduates, 2001 to 2015

### When the state funds enrollment growth, UC responds immediately.

Providing adequate state funding is the best way to increase the number of California students enrolled at the UC. As evidence of this, the State Budget Act of 2015 provided funds specifically for UC enrollment and the University immediately implemented plans to enroll 5,000 more resident students in the 2016-17 academic year than it did in 2014-15. Enrolling these students does not require reducing the number of out-of-state students.

In fact, 43 percent of these new California resident students will attend the three campuses that currently educate the most nonresidents: Berkeley, UCLA, and San Diego. This demonstrates that when state funding for enrollment growth is made available, the number of resident students will increase independently of the number of nonresident students.

UC has plans to increase California enrollment by another 5,000 California undergraduate students by 2018-19 subject to the availability of additional enrollment funding from the state. As UC adds undergraduates, it will be important to increase graduate enrollment as well. Graduate students are needed to help teach and mentor undergraduates and work with the additional faculty who must be hired as growth occurs.

### Trends in California resident admission rates reflect growing demand that exceeds state funding for enrollment growth.

Declining admission rates for California residents do not indicate that UC has reduced its commitment to the Master Plan. The Master Plan addresses overall admissions to the system, not admissions at the campus level. UC's obligation under the Master Plan is to admit all eligible applicants and it always meets this obligation.

Admission rates reflect the relationship between the number of students who apply and those who are admitted. In recent years, admission rates have been affected by two distinct trends: a continuing increase in the number of California high school graduates seeking a UC education, combined with reduced state funding to enroll them. During many years when state funding for enrollment was cut, UC held state resident enrollment relatively flat. Because applications continued to increase and state funding for enrollment did not, admission rates went down—it became more difficult for an individual California student to be admitted to specific UC campuses. These trends do not reflect a reduced UC commitment; they reflect a gap between the number of students who want to attend UC and the funding from the state available to educate them.

# UC policies overwhelmingly favor California residents

**Qualified California residents are guaranteed admission, nonresidents are not.**

UC policy guarantees admission to California residents through two paths—a statewide path and a local path—that recognize and reward the academic accomplishment of the state's top high school graduates. The statewide path includes students with grade point averages and test scores in the top 9 percent of all California high school graduates. The local path, known as “eligibility in the local context,” includes students who have earned at least a 3.0 UC grade point average and are in the top 9 percent of their participating California high school, regardless of their test scores.

Every California resident applicant who is guaranteed admission to UC but who is not admitted to any of the campuses to which the student had originally applied is given the opportunity to enroll at a different UC campus through a process called “referral.” This helps the University find a place in the system for every eligible California applicant. In contrast, nonresident applicants who are not competitive for admission at the campuses they apply to are denied admission, period. They are not guaranteed enrollment at another UC campus.

Some have argued that the low percentage of UC applicants who accept a referral offer represents a failure to accommodate California residents. What this suggestion does not acknowledge is that students who apply to UC also have other postsecondary institution choices.<sup>2</sup> Many UC applicants may have their hearts set on a single campus and, if not admitted to that campus, choose not to attend UC. This decision is entirely up to the applicant. Top California high school graduates who wish to enroll at UC will not be turned down (although, consistent with the Master Plan, a student is not guaranteed admission to a particular campus). For the thousands of California resident students who have chosen the referral offer over the past decade, this has meant access to a life-changing UC education that they otherwise would not have received.

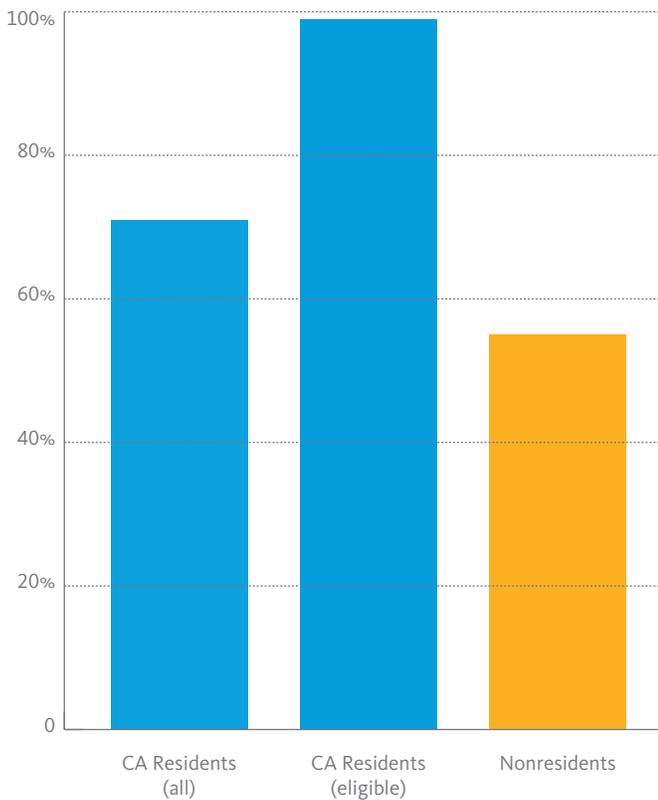
The number of students in the referral pool is a function of state funding, not UC admissions policy. The University anticipates that the size of the referral pool will decrease for the 2016-17 admissions cycle because the state will help fund enrollment of an additional 5,000 California residents and more applicants will likely be admitted to a campus of their choosing.

**DISPLAY 2 TWO PATHS PROVIDE SYSTEMWIDE GUARANTEES FOR CALIFORNIANS**

Statewide Path	Local Path
Top 9% of all California high school graduates	Top 9% of students in participating California high schools (known as Eligibility in the Local Context [ELC])
Applicants must meet University requirements and have a high score on the UC Admission Index—a sliding scale comprised of a student's high school GPA (grades earned in college-prepatory "a-g" courses) and SAT/ACT scores	Applicants must have a 3.0 GPA or better in UC's college-prepatory courses
	Applicants meet 9% benchmark GPA for the high school; SAT/ACT score are not considered

<sup>2</sup> The National Association of College Admission Counseling (NACAC) reports that over 80 percent of all college applicants apply to three or more campuses and the number of students who apply to more than seven campuses has doubled in the last 10 years. See State of College Admission at [nacacnet.org/research/PublicationsResources/Marketplace/research/Pages/StateofCollege-Admission.aspx](http://nacacnet.org/research/PublicationsResources/Marketplace/research/Pages/StateofCollege-Admission.aspx)

**DISPLAY 3 CALIFORNIA APPLICANTS ARE FAR MORE LIKELY TO BE ADMITTED TO UC**



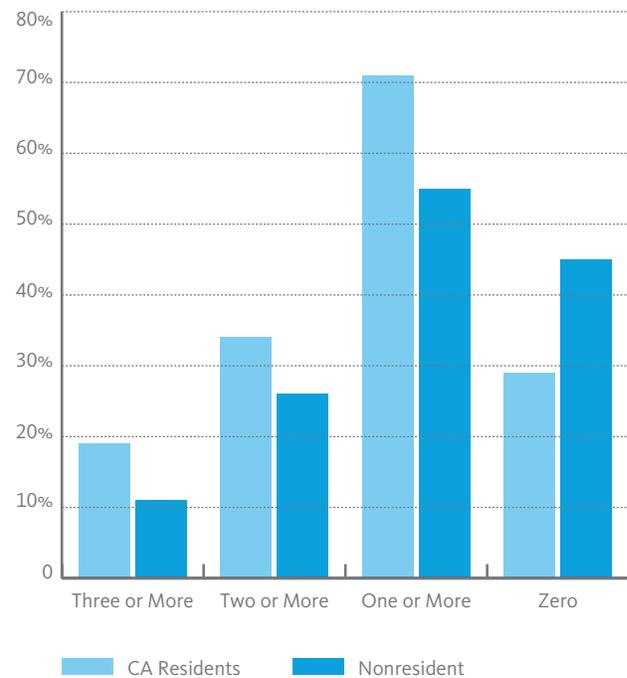
The total for eligible California Residents is less than 100 percent as a small number of applications are withdrawn or cancelled prior to UC making an admission decision.

**Californians are admitted at higher rates than non-Californians.**

The University of California’s policies and programs favor California residents in many significant ways. As Display 3 indicates, more than two-thirds of California applicants (and all of those who meet the University’s eligibility requirements) are admitted. Admission rates for domestic nonresident and international applicants are noticeably lower.

This trend extends to admission to specific campuses. As Display 4 shows, California residents are more likely to be admitted to multiple UC campuses compared to nonresidents. For example, nearly 20 percent of California residents receive admission offers from at least three of the campuses to which they apply, compared to only 11 percent of nonresidents who are admitted to three or more campuses. And 45 percent of nonresident applicants are denied admission at all campuses to which they apply, compared to 29 percent of California applicants. It is important to stress that *all eligible California applicants receive at least one offer*.

**DISPLAY 4 CALIFORNIA APPLICANTS ARE MORE LIKELY TO BE ADMITTED TO ONE OR MORE CAMPUSES THAN NONRESIDENTS**



Fall 2015 proportion of applicants admitted by number of campuses admitted to and residency

**UC works closely with California high schools to identify college preparatory courses and provides certified lists of college prep courses in every California high school; no similar services are provided for out-of-state schools and students.**

UC works closely with California high schools to assist them in developing college preparatory courses, maintaining the quality of those courses, and communicating to all California students which courses in each California high school will help students prepare for college. In a partnership that is unique to California, UC faculty are given the specific responsibility of identifying the courses that make up the state's agreed-upon college preparatory curriculum, known as the "a-g" course pattern. UC faculty specify the required courses in each subject area and produce guidelines for the content and rigor of these courses. University staff annually review more than 30,000 high school courses and provide feedback to high schools to help them build an effective college preparatory curriculum. In addition, on behalf of the state, UC maintains public course lists for more than 2,500 high schools and programs that are available on UC's "a-g" course list website (<https://hs-articulation.ucop.edu/agcourselist#/list/search/all>). This resource is available to teachers, school administrators, students, and families. UC does this work on behalf of all of California K-12, the California State University system, and the University of California campuses. No such services or guidance are provided for schools outside California.

**UC's eligibility standards likely guarantee admission for more California students than the Master Plan requires.**

The Master Plan for Higher Education requires UC to extend eligibility for admission to the top one-eighth of California public high school graduates. UC is not expected to enroll all of these students (since some may choose to enroll elsewhere) or even admit the top one-eighth of high school graduates (since some may never apply to UC), but rather to ensure that all Californians

who fall within the top 12.5 percent and who apply for admission are offered a place in the University.

In practice, UC has been admitting even more than 12.5 percent of the public high school graduating class within its current applicant pool. Over the past four years, the number of public high school applicants offered admission to the University has been between 14.3 and 14.9 percent of California public high school graduates—well above the 12.5 percent ceiling. Every one of these applicants was offered admission to UC and the vast majority were admitted to one or more campuses of their choosing. The number admitted to a campus to which they applied has ranged between 12.2 and 12.6 percent of high school graduates.<sup>3</sup> Given that not all students who meet UC's criteria apply, UC's eligibility policy very likely captures more than the top 12.5 percent required by the Master Plan.

In fact, the Legislative Analyst's Office stated the following in its analysis of the higher education 2016-17 governor's budget: *"Available Evidence Suggests UC and CSU Drawing From Beyond Their Freshman Eligibility Pools.* For fall 2014, UC and CSU admitted 13 percent and 30 percent, respectively, of public high school graduates as freshmen ... Because not all public high school students within the eligibility pools apply to UC or CSU, and many only apply to UC or CSU but not both, the universities currently are drawing from even larger pools of students."<sup>4</sup>

**UC admissions policies consider students' achievements in the face of disadvantage, such as low-income or first-generation college status; the vast majority of these students are Californians.**

UC believes a student's potential to succeed on a UC campus should be measured by more than high school grade point averages and college admissions test scores. UC's campus-level admission policy includes 14 criteria, which extend beyond grades and test scores to include accomplishments and achievements in a wide range of areas. UC policy also specifies that each applicant must be evaluated in the context of that applicant's personal and educational experiences. Applicants' achievements are viewed in terms of what they accomplished given the resources available to them. In this way, UC seeks to identify those Californians who can benefit most from the

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<sup>3</sup> UC Board of Admissions and Relations with Schools, Annual Report on Undergraduate Admissions Requirements and Comprehensive Review, February 2016, p.14  
[senate.universityofcalifornia.edu/committees/boars/documents/BOARS2016ReporttoRegents.pdf](https://senate.universityofcalifornia.edu/committees/boars/documents/BOARS2016ReporttoRegents.pdf)

<sup>4</sup> [lao.ca.gov/reports/2016/3372/higher-education-022516.pdf](http://lao.ca.gov/reports/2016/3372/higher-education-022516.pdf), p.7

opportunity to attend UC—students from low-income families, those whose parents did not graduate from college, and those who have attended under-resourced high schools.

To implement this policy, the UC Office of the President provides campus admissions offices with extensive data about the resources available at individual California high schools—including data about academic resources (e.g., numbers of college preparatory courses offered), student academic success (e.g., numbers of students who complete college preparatory courses), and demographic characteristics (e.g., percentages of the student body who qualify for free or reduced lunch). This information helps campuses to evaluate students against others with access to similar levels of resources and to identify California students whose levels of achievement, when viewed in the context of the challenges they have overcome, make them strong candidates for admission.

**UC nonresident admission policy requires nonresidents to be at least as well qualified as admitted residents, holds nonresidents to a higher minimum GPA, and provides no guarantee.**

The original 1960 Master Plan stated that to be eligible for admission, nonresident students should “meet higher entrance requirements than are required of residents of California [such that] *they stand in the upper half of those ordinarily eligible*” (emphasis added).<sup>5</sup> UC implements this requirement—which applies at the systemwide level only—by requiring admitted nonresidents to have a minimum GPA of 3.4, compared to a minimum GPA of 3.0 for Californians. The 1987 revision of the Master Plan dropped the “upper half of those ordinarily eligible”

<sup>5</sup> A Master Plan for Higher Education in California, 1960 to 1975, Sacramento, CA, 1960, p. 5

<sup>6</sup> The Master Plan Renewed, Commission for the Review of the Master Plan for Higher Education, Sacramento, CA July 1987, P. 15

<sup>7</sup> 2016-17 Budget: Higher Education Analysis, Legislative Analyst’s Office, p.6

<sup>8</sup> Regents Policy 210 states, in part, that “the University of California has an historic commitment to provide places within the University for all eligible applicants who are residents of California. The University seeks to enroll, on each of its campuses, a student body that, beyond meeting the University’s eligibility requirements, demonstrates high academic achievement or exceptional personal talent, and that encompasses the broad diversity of cultural, racial, geographic, and socioeconomic backgrounds characteristic of California.”

language and instead stated that “graduates of ... out-of-state secondary schools [should be] held to at least equivalent levels” of preparation to those of Californians.<sup>6</sup>

This 1987 change has been widely acknowledged in higher education policy. For example, the most recent LAO report states, “the Master Plan allows [CSU and UC] to admit ... nonresident students if these applicants meet similar academic standards as eligible public high school graduates.”<sup>7</sup> Consistent with the 1987 update of the Master Plan, UC policy holds that nonresidents should “compare favorably” to resident students admitted to the campus where they have applied. Some have suggested that the qualitative, non-numeric language of the “Compare Favorably” policy reflects a “watering down” of UC standards. This is not the case. Rather, the language of the policy reflects the evolution of UC admissions away from reliance solely on grades and test scores toward comprehensive and holistic review—an important step forward for admissions of California students and one that has been widely praised.

**The vast majority of the University’s recruitment efforts aim to enroll California residents, especially those from underrepresented groups.**

The University devotes the majority of its recruiting budget to enrolling California residents. And a significant portion of these resources go toward the recruitment of historically underserved populations, consistent with the Regents’ Policy on Undergraduate Admissions.<sup>8</sup> These efforts have been enormously successful. Since 2010, the enrollment of California underrepresented minority freshmen has increased 34 percent. Enrollment of transfers from underrepresented minority groups has increased 24 percent.

Some have argued that the University spends too much money recruiting nonresident students. But the facts tell a different story. In 2014-15, the University spent 56 percent more to recruit California residents than it did nonresidents; indeed, only 23 percent of UC’s recruiting expenses went exclusively to recruiting nonresidents. Moreover, these figures do not include the more than \$25 million that UC spends annually on

Student Academic Preparation and Educational Partnerships to prepare California residents for admission to the University. Through these programs, the University has a presence in more than 1,000 California public primary and secondary schools. These UC investments are designed to propel the children of California’s taxpayers into California’s public higher education system. They represent a sizeable and sustained commitment to Californians.

**Access to high demand majors is not affected by residency.**

UC has also continued to protect access to specific majors for California students. Major choice has little or no bearing on freshman admission selection except for a handful of University programs. Indeed, one in four freshmen enters the University with no declared major. Moreover, applicants’ initial selection of a major has little bearing on the degree they ultimately earn, since nearly half change their major before they graduate.

As the population of nonresidents has increased at UC, the number of nonresidents pursuing specific majors has increased. But the data show that California students have maintained the same share of enrollments in various majors as they did before the nonresident increases of the past five years. For example, Display 5 shows virtually no change in the percentage of resident and nonresident students in the five most popular majors at Berkeley, UCLA, and San Diego between 2010 and 2015.

**DISPLAY 5 RESIDENCY IS NOT A FACTOR IN ACCESS TO TOP MAJORS**

	California resident		Nonresident	
	2010	2014	2010	2014
Berkeley	34%	33%	35%	34%
UCLA	64%	66%	64%	63%
San Diego	63%	64%	66%	60%

Percent enrolled in top five disciplines

**UC spends \$86 million per year providing academic preparation and advising services for low-income and educationally disadvantaged California middle and high school students.**

The University of California spent \$86 million in 2014-15 (see Display 6) to provide services for low-income, first-generation, and underrepresented student populations. These funds were used to support academic preparation, summer bridge programs (which often consist of residential orientation and workshop programs during the summer before students matriculate, and which are designed to help students develop effective study skills to make the transition to college), campus climate, student counseling, data-based analytics (which are data tools used to capture more facts about student outcomes, graduation rates, and predictors of academic success), mentorship, and undergraduate research.

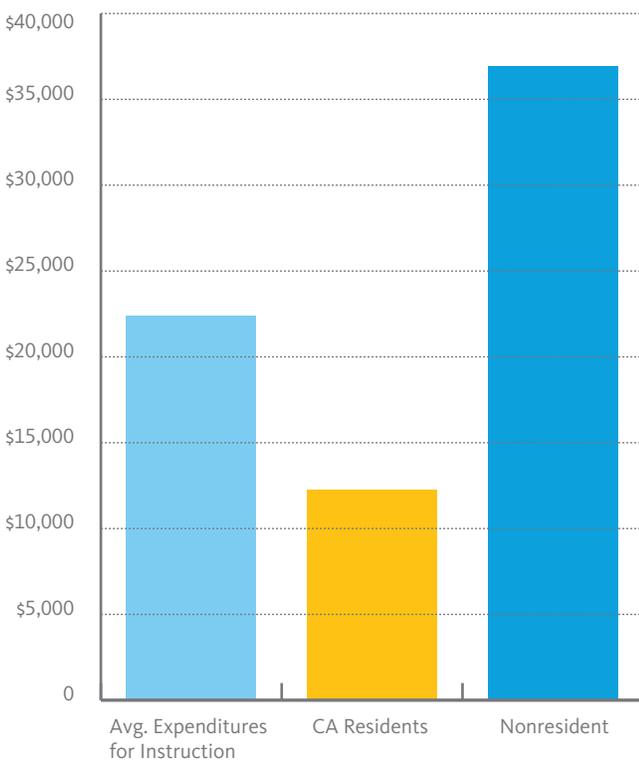
**DISPLAY 6 \$86 MILLION TARGETED TO SUPPORTING LOW-INCOME AND EDUCATIONALLY DISADVANTAGED STUDENTS**

Academic Prep	\$48.9	57%
Campus Climate	\$13.4	16%
Summer Bridge	\$12.0	14%
Student Counseling	\$4.3	5%
UG Research	\$3.5	4%
Data Based Analytics	\$2.4	3%
Mentorship	\$1.3	2%
<b>Total</b>	<b>\$86.0</b>	<b>100%</b>

**California students pay only a fraction of what it costs to educate them.**

Total systemwide tuition and fees for California residents in 2015-16 is \$12,240—about \$10,000 below the University’s average expenditures for undergraduate instruction, which exceeds \$22,000 for an undergraduate student (including expenditures for financial aid).

**DISPLAY 7 CALIFORNIA RESIDENTS PAY LESS AND NONRESIDENTS PAY MORE THAN AVERAGE EXPENDITURES FOR INSTRUCTION**



In contrast, nonresident undergraduates pay \$36,948—or over \$14,000 more than the average expenditures for instruction.

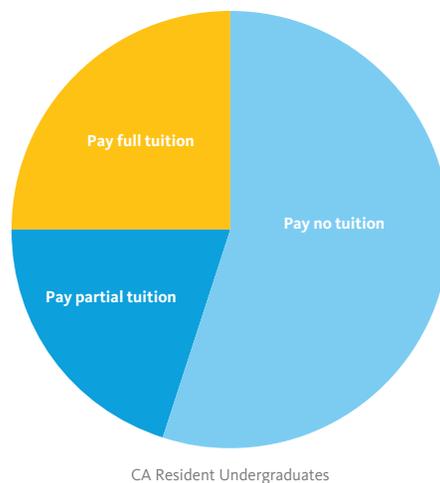
In effect, all California resident undergraduates receive a subsidy—from both the state and nonresident students—that helps cover the cost of their UC education. Moreover, as shown in Display 8, more than half of California resident undergraduates have their tuition and fees fully covered by grants and scholarships.

**California students are eligible for much more financial aid than nonresidents.**

Three major financial aid programs that benefit UC undergraduates—the state’s Cal Grants, the state’s Middle-Class Scholarship Program, and the UC Blue and Gold Opportunity Plan—are available only to California residents.

- Cal Grants cover mandatory systemwide charges for eligible California residents.
- The Middle Class Scholarship Program will cover up to 40 percent of mandatory systemwide charges for California students whose parents earn up to \$150,000 by 2017-18, once it is fully phased in.
- Under the Blue and Gold Opportunity Plan, UC ensures that California undergraduates with parental income up to \$80,000 will have all their mandatory systemwide charges fully covered by grants or scholarships up to their financial need. These students effectively pay zero tuition.

**DISPLAY 8 MORE THAN HALF OF CALIFORNIA UNDERGRADUATES PAY NO TUITION AND FEES**



As a result of these programs, about 55 percent of California undergraduates pay no tuition for their UC education. In contrast, effective fall 2016, new nonresident undergraduates who enroll at UC will not be eligible to receive any financial aid from the University Student Aid Program—the University’s systemwide need-based grant programs.

# UC allocates state funds through a transparent, fair, and effective process

## The University accelerated its plans to achieve equity in per-student state funding across the campuses.

Historically, campuses received state funds based on factors influenced by the timing of the growth of the campus (for example, older campuses received most of their funding when the state provided more money per student) and agreements with the state on how various aspects of the University's budget were funded (for example, maintenance funding was provided largely based on size and age of facilities, rather than on a per-student basis). The University of California adopted a new methodology in 2012 for achieving equity in state funding on a per-student basis. This methodology, known as "rebenching," was to be completed over six years. In fall 2015, President Napolitano accelerated and improved rebenching by addressing the issue of funding undergraduate overenrollment (those students for whom the state had provided no funding are now included in enrollment targets) and by moving up the deadline from 2017-18 to 2016-17.

## UC is allocating state funds to support 7,000 previously unfunded California residents.

As noted earlier, for decades the state allocated funds specifically to increase the enrollment of California students, consistent with the Master Plan vision for state-supported public higher education. Since 2008-09, the state has not regularly provided this funding dedicated for enrollment growth. Rather than deny access to eligible Californians, UC maintained funded levels of enrollment and some campuses continued to enroll thousands of California students substantially above funded levels. As of 2014-15, UC was educating 7,000 California undergraduate students for whom the state has not provided funding, meaning that some campuses were "overenrolled."

All UC campuses enroll a relatively high proportion of low-income and underrepresented students, but several of the overenrolled campuses, which have grown rapidly in recent years, also have higher proportions of such students. UC Riverside, with 41 percent underrepresented minority students, also has the highest proportion of students enrolled for whom no state enrollment growth funding has been provided. Additional funding to support enrollment at Riverside and similar campuses was a high priority for the University.

By funding overenrollment, UC is ensuring that overenrolled campuses receive the support they need to accommodate current levels of California resident enrollment. UC campuses will receive additional funding to enroll 5,000 more California resident undergraduates than they enrolled in 2014-15.

## Accelerating the effort to achieve equity in per-student funding means allocating \$94 million in the current and next budget years.

A key principle underlying UC's rebenching effort is that it must be accomplished by raising all campuses to the same level, not by reducing per-student funding at some campuses. The rebenching process had to be phased in over several years in order to achieve a uniform standard of quality at all campuses.

Since rebenching began in 2012, UC has allocated \$111 million to reduce disparities in per-student state funding across the campuses. President Napolitano will allocate a combined \$94 million in 2015-16 and 2016-17 so that full per-student equity will be achieved by 2016-17. Combined with the \$50 million UC will spend to fund overenrollment over two years, UC will have devoted \$255 million to achieve equity in state funding. When UC adds 5,000 additional California undergraduates in 2016-17, the same amount of state resources for each of those students will flow to the campuses that enroll them.

## UC Merced, the most diverse UC campus, receives more state resources on a per student basis than any other UC general campus.

UC Merced, our most diverse campus, is not included in rebenching at this time. With 50 percent underrepresented students and nearly two-thirds first generation students, the campus receives more funding per student than any of UC's general campuses. Because it is also the system's newest campus, UC is dedicating significant resources to ensure the campus matures and succeeds.

Display 9 shows the per-student state funding by campus before rebenching and what that funding will be next year when rebenching is completed.

Some important state and University priorities are funded outside the rebenching allocation. While these funds are not allocated through rebenching, they nonetheless benefit UC campuses and their students. The University received about \$3.1 billion in state general funds in 2015-16. Examples of funds that are excluded from the rebenching allocation include:

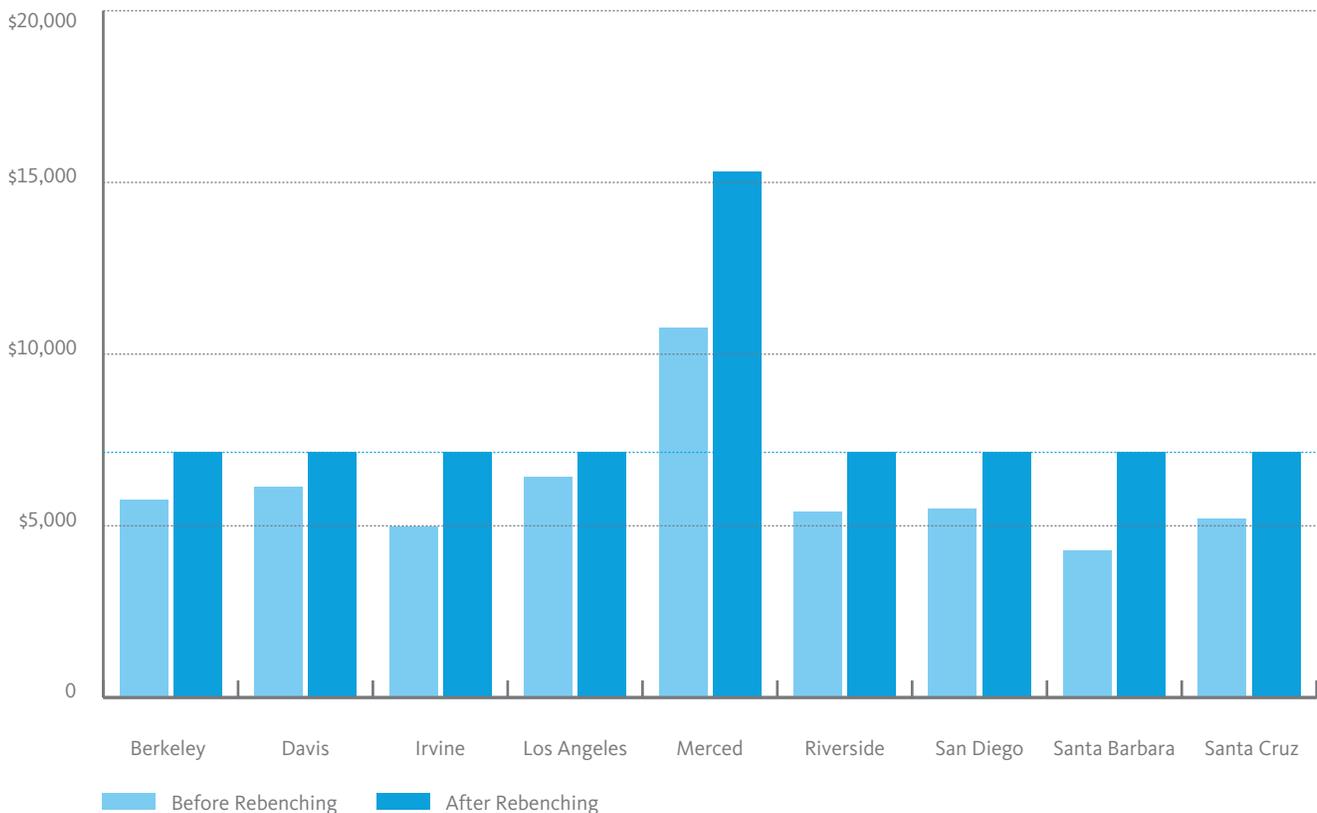
- Over \$320 million provided for debt service for state-issued general obligation and former state lease revenue bonds that were transferred to UC for repayment. This debt—about one-half of which is no longer carried by the state as it was prior to 2013-14—funds UC’s capital programs, including new instructional facilities such as classroom buildings. UC uses a share of its state fund support to service this debt.
- \$300 million dedicated to the base budgets of UC San Francisco and UC Merced. In recognition of their unique situations, San

Francisco (a purely health sciences campus with no undergraduate students) and Merced (a developing campus with higher per-student funding needs) have separate formulas outside of rebenching for determining their state allocations.

- Funds set aside for a number of programs that represent important priorities for the state and/or UC. These include, for example, the Agricultural Experiment Stations, HIV-AIDS research, the MIND institute, and financial aid funding for the neediest students irrespective of which campus they attend. Funding for these programs is not included in the per-student calculation used in rebenching. Instead, funding for these programs is provided in addition to a campus’s per-student funding level. Otherwise, a campus would effectively be penalized for hosting programs that serve important state and University goals.

**DISPLAY 9: UC’S REBENCHING INITIATIVE WILL EQUALIZE STATE FUNDING PER STUDENTS ACROSS EIGHT CAMPUSES**

Campuses also receive benefits from programs dedicated to specific state and UC purposes that are funded outside the rebenching allocation formula.



The decision to account for the resources for these important state priorities outside of the rebenching allocation methodology does not change the fact that these dollars are still distributed to campuses and that the majority of these funds accrue to the benefit of students as well as to California itself.

**UC's allocation process is well documented and available for review online.**

The University of California's *Systemwide Budget Manual*, which is accessible online,<sup>9</sup> describes how the University determines its annual funding needs and how state funds are allocated to campuses. It provides a detailed description of the allocation methodology, along with the formulas used to determine a campus's allocation under rebenching.

The University also regularly publishes campus-level reports of revenues and expenditures, including each campus's total appropriation from state funds.

- Detailed revenue and expenditure figures are published annually in Campus Financial Schedules, which are available at <http://www.ucop.edu/financial-accounting/financial-reports/campus-financial-schedules/>.
- Campus-level trends in revenues and expenses are published in an annual Revenue and Expense Trends report. The latest version of the report is available at [finreports.universityofcalifornia.edu/index.php?file=retrends/retrends\\_2015.pdf](http://finreports.universityofcalifornia.edu/index.php?file=retrends/retrends_2015.pdf)

These and many other reports related to financial accountability are available on the University's portal for reporting transparency, which is available at <http://reportingtransparency.universityofcalifornia.edu/>.

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<sup>9</sup> The current version of the *Systemwide Budget Manual* is available at [ucop.edu/operating-budget/budgets-and-reports/other-resources/](http://ucop.edu/operating-budget/budgets-and-reports/other-resources/)

# UC is an effective, responsible steward of its financial resources

## UC has lowered instructional expenditures and improved efficiency over time.

UC serves more students with fewer resources, due in part to aggressive cost-savings efforts and efficiencies. The Working Smarter initiative, for example, has resulted in documented cost savings and new revenues of over \$660 million. Progress has been made throughout the University and in every functional area including instruction, research, academic support, student services, medical centers, and others.

As part of the 2015-16 budget framework agreement with the governor, UC has undertaken ambitious initiatives to operate more efficiently and serve more students. These include reducing the number of credits within a major required to achieve a degree, providing new pathways for students to graduate in three years, expanding the use of data analytics to identify students at risk academically, and increasing student enrollment during the summer to reduce students' time to degree.

## Staff growth is concentrated in health science operations.

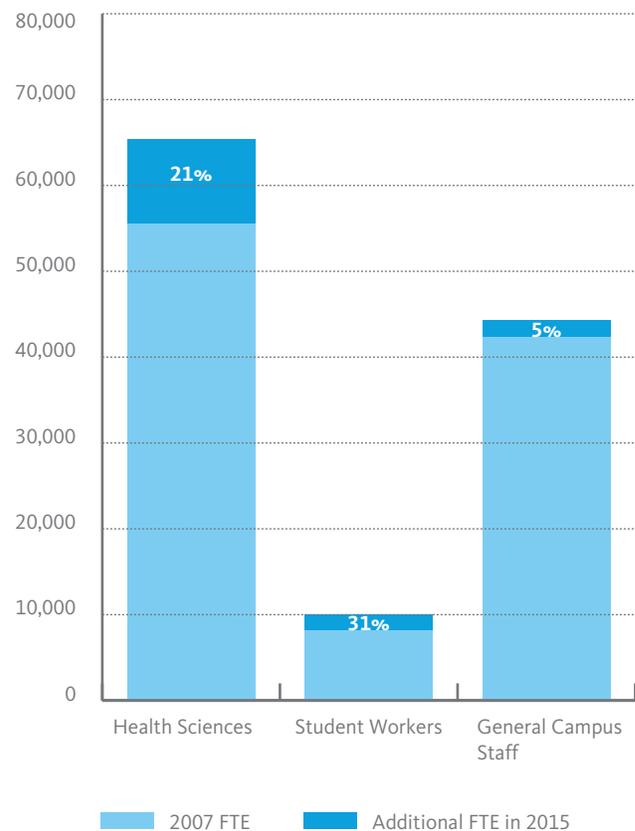
While there has been growth in staffing at the University as a whole, it has been due largely to the self-supporting enterprises that provide services for a growing population of students on UC campuses and patients in UC medical centers. Staff paid with "core funds" (state funds, tuition and fees, and UC general funds) have decreased since 2007.

Between October 2007 and 2015, staff growth is divided into the following areas:

- Health science staff account for about 72 percent of the increase due to increasing demand for health care services. Health science staff are primarily paid with non-core funds (97 percent), and the portion supported by state general funds and tuition has dropped from 6 percent to 3 percent.
- Student workers account for 14 percent of the increase, largely related to an additional 31,000 students enrolled at UC over this period (a 15 percent increase). About half of student workers are work-study students who work on campus as part of their financial aid packages.

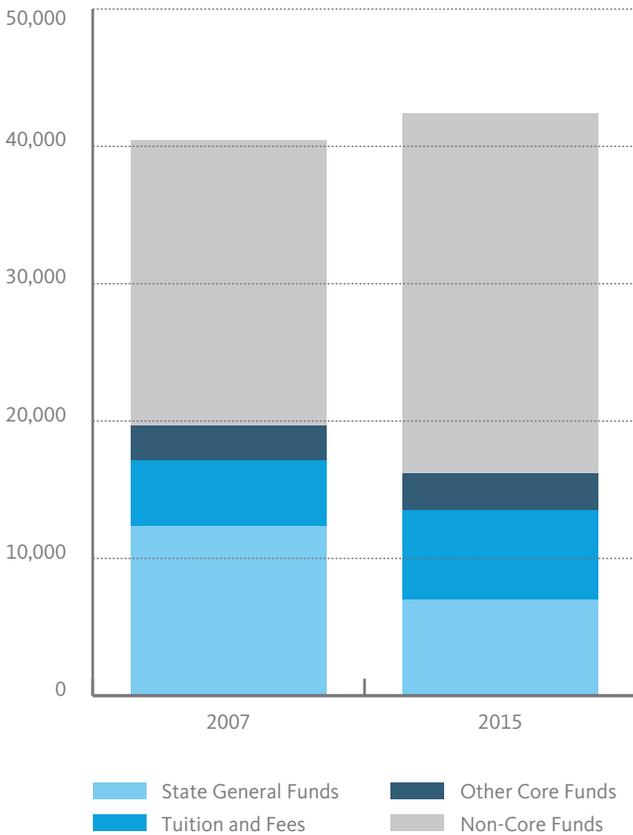
- General campus staff, including staff at the Office of the President, have increased only 5 percent. In contrast, general campus student enrollment has grown by 15 percent (including 7,041 additional California residents) and UC-operated student housing has increased capacity by 37 percent.

## DISPLAY 10 THE LARGEST STAFF GROWTH OCCURRED IN THE HEALTH SCIENCES; GENERAL CAMPUS STAFF REPRESENTS THE LOWEST PORTION OF STAFF GROWTH



**DISPLAY 11 FEWER GENERAL CAMPUS STAFF ARE SUPPORTED BY STATE FUNDS**

General campus staff by fund source



**UC delivers a high-quality education with less state funding than in the past.**

Between 2007-08 and 2011-12, state support for the University’s budget fell by \$986 million, or about 30 percent. Faced with such a decline, the University took measures to ensure that every eligible California student still had a place at the University and that a UC education remained of the highest quality. These included intensive cost-cutting efforts as well as efforts to replace a portion of the lost state funds from other sources—including nonresident tuition paid by out-of-state students.

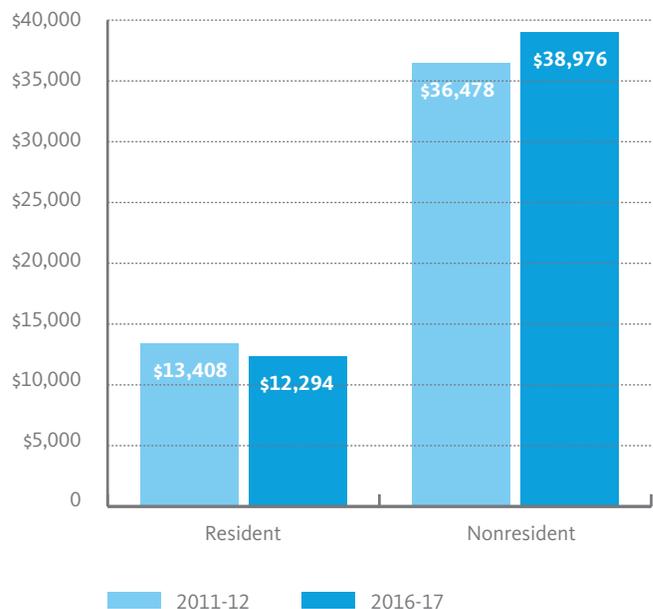
At the same time, the University ensured that access and quality for California residents were preserved. For financially needy California undergraduates, higher in-state tuition and fees were

largely covered by additional need-based grants, including Cal Grants. UC undergraduates received \$1.2 billion *more* in grants and scholarships in 2014-15 than they did in 2007-08. Similarly, growth in nonresident enrollment occurred in addition to—not instead of—California resident enrollment and allowed campuses to preserve academic programs and quality that otherwise might have been cut.

Since 2011-12, mandatory systemwide tuition has remained at \$11,220 and the mandatory Student Services Fee remained frozen at \$972 from 2011-12 through 2014-15; it was raised by \$48 per student in 2015-16, in part to fund programs requested by students. This represents a decline of tuition in inflation-adjusted dollars. In contrast, nonresident supplemental tuition has increased from \$22,878 in 2011-12 to \$24,708 in 2015-16, and will rise to \$26,682 in 2016-17—which these students pay in addition to the tuition and fees charged to California students.

Display 12 shows total charges for California resident and nonresident undergraduates in 2011-12 and 2016-17, adjusted for inflation. While charges for California residents declined by \$1,114 in inflation-adjusted dollars, charges for nonresident students increased by \$2,498.

**DISPLAY 12 AFTER ADJUSTING FOR INFLATION, TUITION AND FEES HAVE DECLINED FOR CALIFORNIA RESIDENTS AND INCREASED FOR NONRESIDENT UNDERGRADUATES**



And yet, UC still has fewer available resources per student today than it had in the past. As shown in Display 13, available revenue per student in 2014-15 remains well below pre-recession levels.<sup>10</sup>

**DISPLAY 13 AVAILABLE FUNDING PER STUDENT HAS DECLINED SIGNIFICANTLY**

Available resources per student from state appropriations, tuition/fees, and nonresident tuition, constant 2014-15 dollars



**Just as the state allocates revenue from sales and use, personal income, and corporation taxes as “general funds,” UC’s core funds are combined and used interchangeably to support its programs.**

State funds, UC funds, and tuition—UC’s “core funds”—combine to support UC’s commitment to provide instruction, research, and public service. Core funds provide basic support for instruction and other academic programs, maintaining physical assets, providing student and cultural services that enhance the quality of life on campuses, and supporting administrative functions necessary to the operation of the University. Some commentators have focused solely on one aspect of the University’s missions, or on one fund source, in analyzing the University’s budget. This narrow approach fails to capture the University’s essential structure and purpose. In an operational sense, these funds should be viewed as a whole and understood to be critical to the support of all of UC’s missions.

An analogy for UC core funds can be drawn to the state’s general fund, which has three primary sources of revenue: the personal income tax, the sales and use tax, and the corporate tax, which accrue to the state in varying amounts and proportions. These are pooled and used to support the essential operations of the state—from education to health and safety and other priorities, including salaries and benefits for state workers.

Likewise, UC core funds have three primary sources of revenue: tuition and fees, state general funds, and what the University refers to as UC general funds. This latter category includes supplemental tuition paid by nonresident students and revenues such as cost recovery from contracts and grants and application fees.

To continue the analogy to the state’s general fund, revenue from income, sales, and corporate taxes all support the various functions of state government. No state entity knows how much it is receiving from any one of those fund sources. Yet all state agencies, including UC, report on the amount of revenue they receive and the expenditure of those revenues in considerable detail. The absence of a link between a particular fund source—for example, income tax revenue—and a particular expenditure does not constitute a lack of transparency.

<sup>10</sup> Includes revenue from state appropriations, tuition, the Student Services Fee, professional degree supplemental tuition, and nonresident supplemental tuition. Revenue used for student financial aid, increased contributions to the University of California Retirement Program, and annual debt service obligations are excluded because these resources are not available for instruction or other purposes.

Requiring every campus department and administrative unit to instead budget and track expenditures according to each individual component of the University's core funds, as some have suggested, would result in additional and unwarranted administrative costs at a time when the University and the state seek to reduce—not expand—administrative overhead unrelated to the University's core missions, without adding materially to transparency. Moreover, any analysis that focuses on expenditures from a single component of the University's core funds is potentially misleading, given the reality of how the major fund sources are blended together.

**UC has a well documented track record of its commitment to transparency and accountability in its financial operations.**

Extensive information is available to the public about UC's receipt and use of funds, as well as the outcomes associated with its primary functions.

UC publishes an annual Accountability Report, the most recent of which can be found at <http://accountability.universityofcalifornia.edu/2015/>, which provides detailed information on topics that historically have been of interest to the public and the legislature such as affordability, student outcomes, and employment of UC graduates, among many others. UC also is expanding content on the online UC Information Center, found at <http://www.universityofcalifornia.edu/infocenter>. The University's annual Regents budget, which can be found at <http://ucop.edu/operating-budget/budgets-and-reports/current-operations-budgets/>, covers every major functional area of the University's budget, with historical trends and recent updates highlighted in each area. Additional data about campus expenditures posted annually on the University's website show granular details of how campuses spend their funds. Annual financial statements provide audited information about the financial status of the University's various enterprises. And each year, UC submits and publicly posts dozens of reports requested by the legislature.

The University of California strives to be as responsive as possible to the public's interest in information about its stewardship of public resources and will continue its efforts to improve transparency and accountability.

**The University's ability to stabilize funding for its core missions relies on achieving adequate support from all three of its core funding sources.**

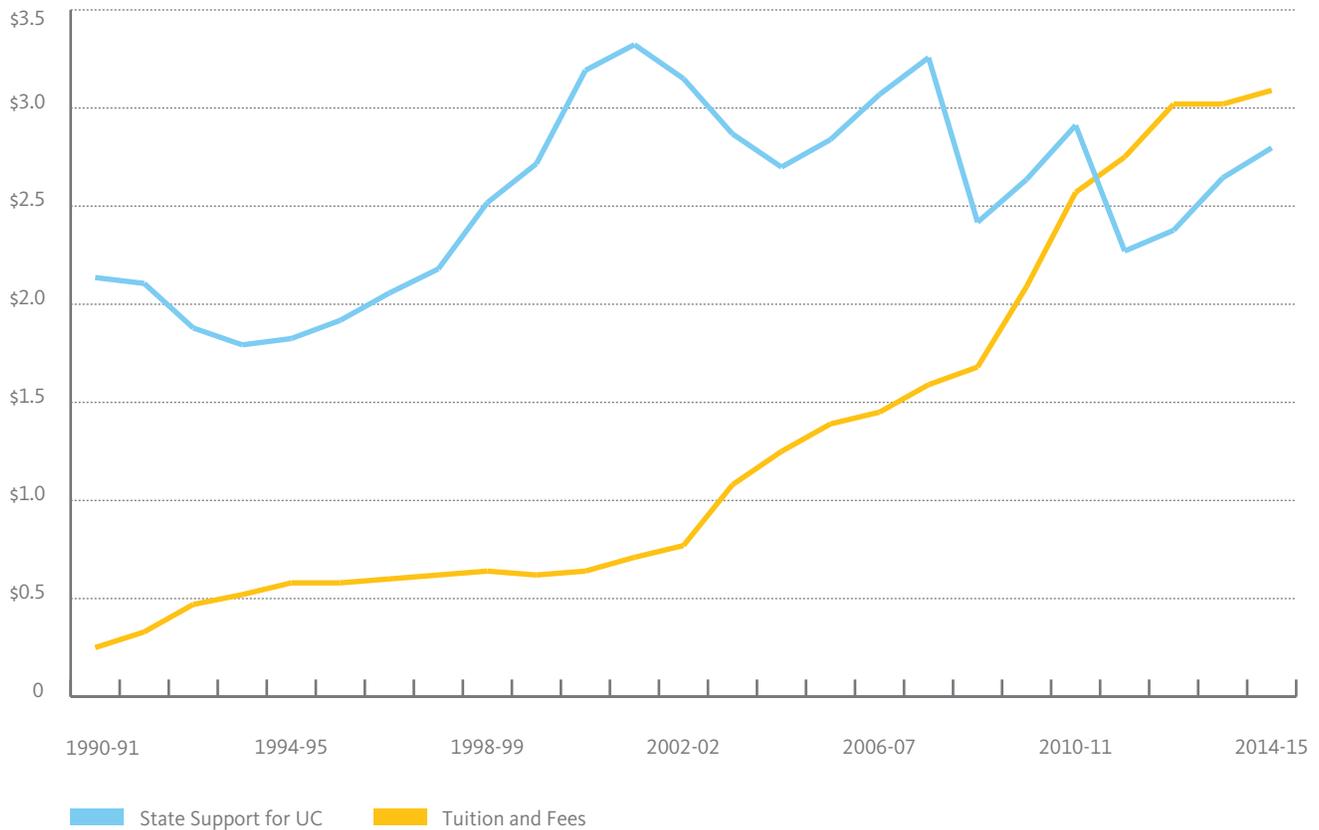
The University must manage the revenue side of its budget each year to address unavoidable cost increases needed to maintain access, affordability, and quality. UC does this by estimating the amount of funding it can expect from the state as well as estimating the amount of revenue it can generate from its own sources, either through new revenue or savings and cost avoidance measures. Observers sometimes suggest that increases in tuition are the result of inefficiency in UC operations, but UC identifies savings and alternative revenues to help close the budget gap each year. To close the budget gap, UC endeavors to identify sources of revenue other than tuition, such as additional state funding. In some years, the state is able to provide additional funding to close the revenue gap without tuition increases. For example, the state "bought out" projected tuition increases in the mid-1990s for seven consecutive years and did so again in 2006-07 and 2012-13.

The University continues to increase efficiency and savings to fund its costs and consequently builds into its annual budget plans an aggressive assumption about new revenue and funds to be redirected from savings and efficiencies. However, like a three-legged stool, this tripartite funding structure needs support from each component. Even with additional funds generated through savings and new revenue, additional state support is critical and so is support for the portion of the budget funded from tuition and fees.

Costs increase every year at UC for items such as health benefits, purchased goods, and compensation, just as they do for all universities and for other state entities. For most of the University's history, tuition did not play as significant a role as it does today. Beginning in 2011-12, tuition now funds a larger share of the core budget than state funds (see Display 14). When tuition is held flat, the 43 percent of UC's core budget that is supported by tuition has no new funds to cover its cost increases.

**DISPLAY 14** WHILE STATE SUPPORT HAS FLUCTUATED, TUITION AND FEES HAVE BECOME A LARGER SHARE OF UC'S CORE FUNDS BUDGET

State support versus student tuition and fee revenue (dollars in billions)



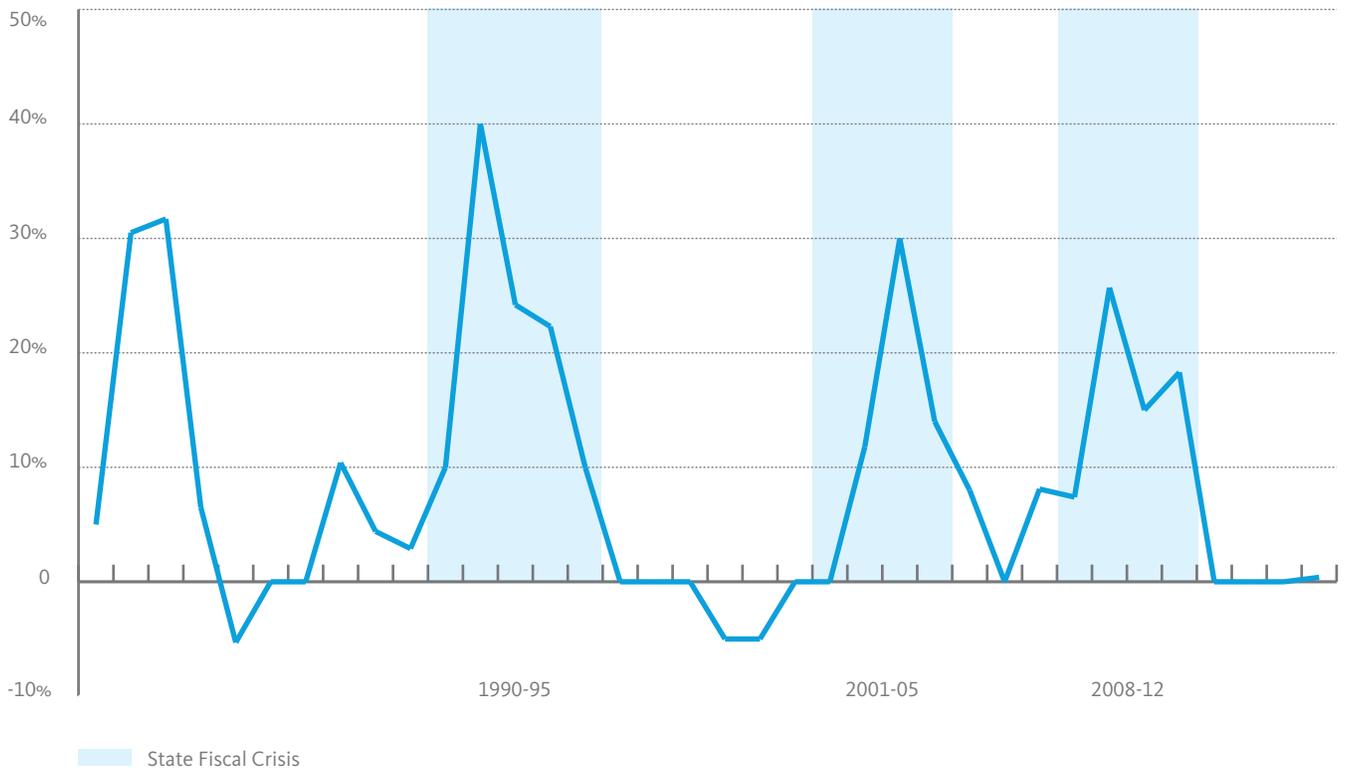
While state support has fluctuated, tuition and fees have become a larger share of UC's core funds budget. In 2011-12, for the first time, tuition and fee revenue exceeded state support.

**Trends in state support have affected both the magnitude and the volatility of tuition increases at UC.**

In years when additional state funding is not available, UC sometimes has had to turn to tuition to help cover cost increases. As shown in Display 15, year-to-year changes in mandatory tuition and fees varied widely over the past several decades—the direct result of instability in state funding for UC. Most tuition increases since 1990-91 have been in direct response to state budget cuts, which in turn were a result of an economic downturn or full-blown fiscal crises. No tuition increase filled the entire budget gap—tuition increases only partially made up for the cuts that occurred each time.

Since 1990-91, the state's inflation-adjusted contribution per UC student has plummeted by 61 percent. Consequently, by 2011-12, students' contribution from tuition and fees had surpassed the state's funding contribution. Resident students now pay about 42 percent of the cost of their instructional costs while the state funds 41 percent.

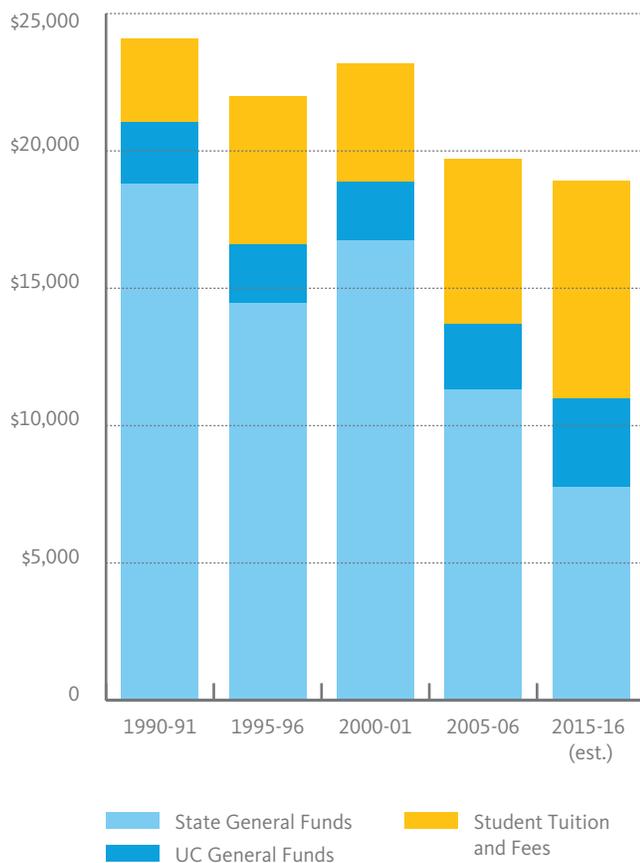
**DISPLAY 15** UC'S TUITION LEVELS HAVE BEEN SUBJECT TO CHRONIC VOLATILITY, WITH INCREASES CLOSELY MIRRORING STATE'S FISCAL CONDITION (TUITION HAS INCREASED TO OFFSET STATE BUDGET CUTS)



Year-to-year percentage change in mandatory charges over the past thirty years (not adjusted for inflation)

**DISPLAY 16** SINCE 1990-91, AVERAGE INFLATION ADJUSTED EXPENDITURES FOR EDUCATING UC STUDENTS HAVE DECLINED

Per-student average expenditures for education by fund source (2015-16 dollars)



Since 1990-91, average inflation-adjusted expenditures for educating UC students have declined. The state-funded share has declined even more rapidly, with student-related charges playing a larger role. Figures are inflation-adjusted 2015-16 dollars per general campus student, net of financial aid.

Some have suggested that tuition levels should be explicitly tied to a cost of instruction formula. This approach understates the role tuition plays. First, tuition and fees are the primary support for student services that support all students in areas outside the instructional program. Moreover, as noted earlier, tuition increases have been necessary in bad economic times to help cover shortfalls left by deep state budget cuts—not just increases in instructional costs.

Even in more stable times, however, tuition plays an important role in helping the University cover unavoidable cost increases. While a percentage increase in state funds helps cover cost increases in areas of the University's budget that are supported by state funds, such an increase, by itself, is not sufficient to cover cost increases for the full core-funded budget. (For example, a 4 percent increase applied to only half of the University's base budget translates to a 2 percent increase across the full core-funded budget.) In years when tuition has been held flat, the University has had no choice but to cut into existing programs, including programs that provide student support, to help pay for cost increases. UC cost savings and revenue generating actions help reduce the pressure on state and tuition-supported programs, but they don't eliminate the need for additional state funds and tuition revenue.

**UC student charges are moderate in comparison to other public institutions.**

UC's average tuition and fees for California residents remain moderate relative to the amounts charged by most of the University's public comparison institutions, while the University's nonresident surcharges remain competitive, as shown in Display 17.

**DISPLAY 17 UC RESIDENT UNDERGRADUATE FEES REMAIN AMONG LOWEST WHEN COMPARED TO OTHER PUBLIC PEERS**

## 2015-16 University of California and public comparison institution fees

	Undergraduate		Graduate	
	Resident	Nonresident	Resident	Nonresident
<b>SUNY Buffalo</b>	\$9,381	\$24,461	\$13,165	\$24,505
<b>Illinois</b>				
Lowest	\$15,202	\$29,344	\$15,818	\$29,816
Highest	\$20,630	\$38,754		
Average	\$17,916	\$34,049		
<b>Michigan</b>				
Lowest	\$13,692	\$43,312	\$20,802	\$41,852
Highest	\$18,944	\$48,910		
Average	\$16,318	\$46,111		
<b>Virginia</b>				
Lowest	\$13,476	\$43,772	\$18,004	\$27,584
Highest	\$18,568	\$48,864		
Average	\$16,022	\$46,318		
<b>UC</b>	\$13,451	\$38,159	\$13,040	\$28,142

Note: Comparison institution figures include tuition and required fees. UC figures include campus-based fees, mandatory systemwide charges, and Nonresident Supplemental Tuition for nonresident students. Waivable health insurance fees are not included. Undergraduate figures for Illinois, Michigan, and Virginia represent the average of the highest and lowest rates at each school. Actual rates may vary by major and/or year in school.

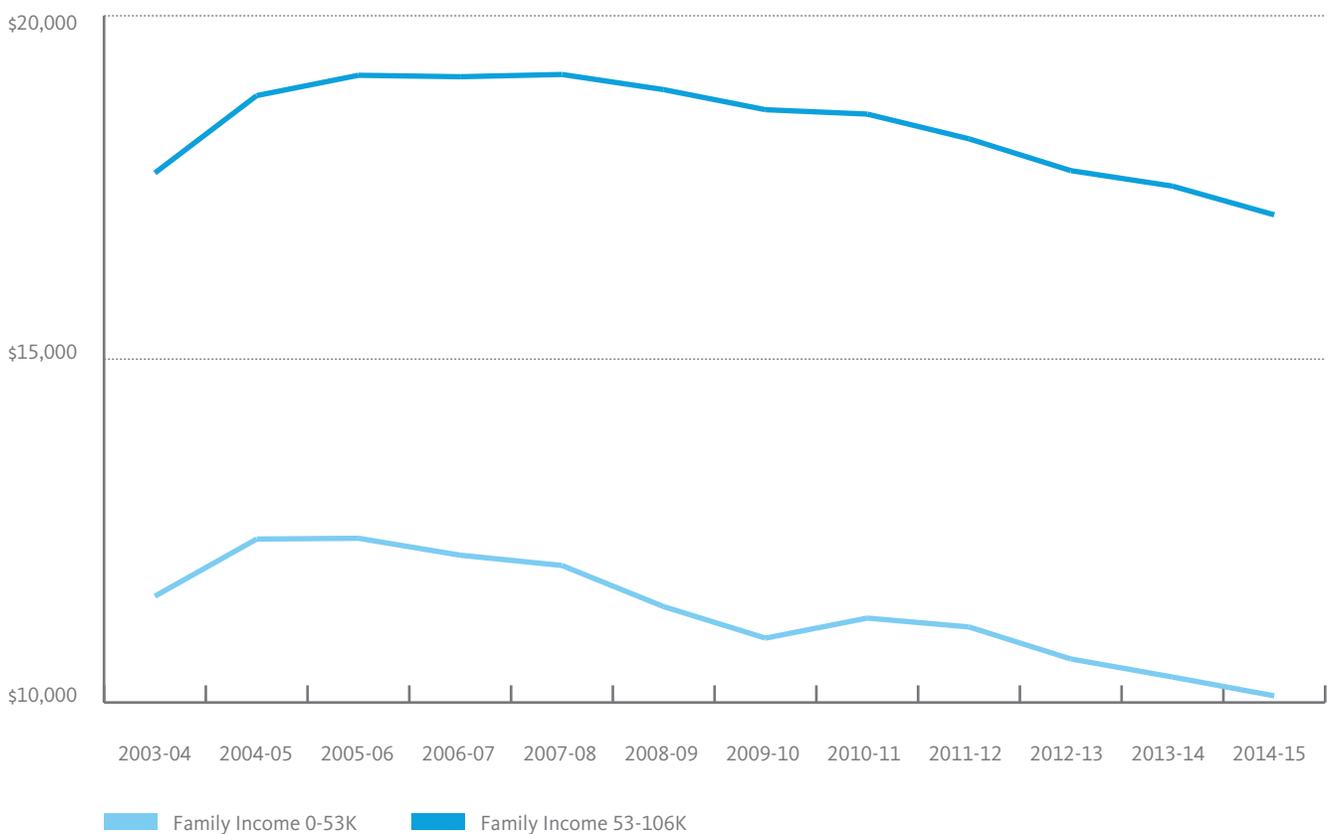
### UC continues to remain affordable, particularly for low-income students.

Through its strong financial aid program, which includes support from the state and federal government, the average net cost paid by low-income and middle-income families has actually declined slightly over the past several years, as shown in Display 18. As noted earlier, more than half of California resident undergraduates have their tuition and fees fully covered with grant and scholarship assistance.

Around 45 percent of bachelor degree recipients leave UC with no debt. And UC's financial aid policies and practices have been designed so that students who do borrow graduate with manageable debt levels. The monthly repayment for UC's average loan is about \$230 a month for 10 years at the 6 percent average interest rate that typically applies to student loans. Lower payments are available with longer repayment rates.

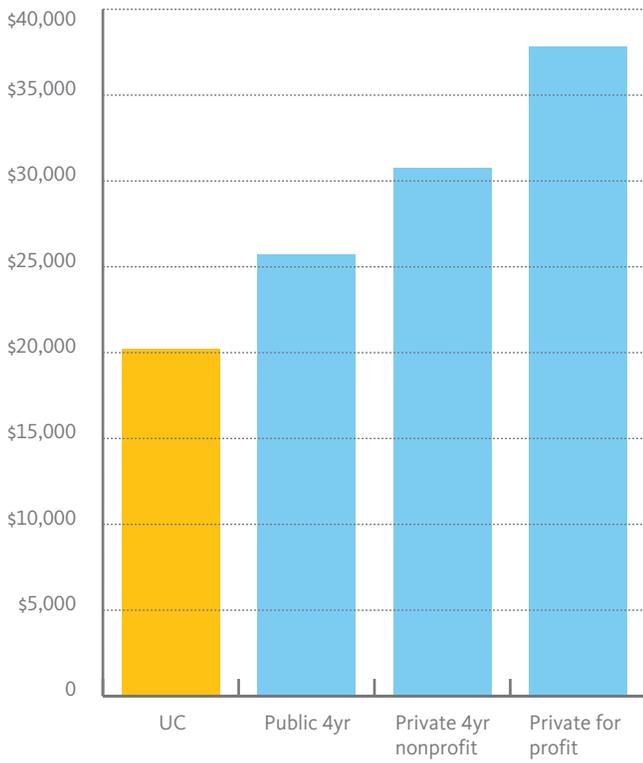
#### DISPLAY 18 NET COST FOR LOW- AND MIDDLE-INCOME STUDENTS HAS REMAINED FLAT OR DECLINED SLIGHTLY

Inflation adjusted dollars



**DISPLAY 19** UC'S AVERAGE INDEBTEDNESS LEVEL AT GRADUATION IS SIGNIFICANTLY BELOW OTHER COMPARATORS

Average cumulative debt at graduation, 2011-12



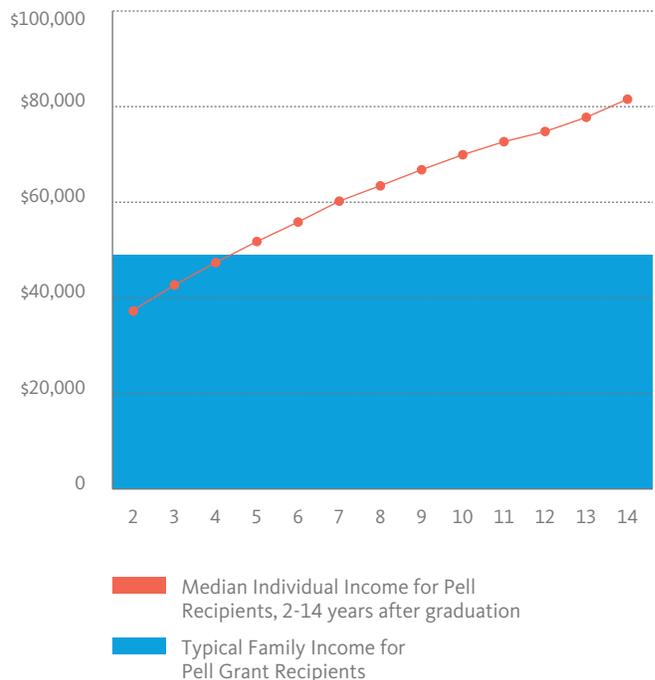
# UC is increasing diversity and enhancing socioeconomic mobility

## A UC education benefits its students as well as the state.

Higher education contributes to economic progress and social mobility in multiple ways. A more educated population generates more tax revenue and enjoys more rapid economic growth. On an individual level, the correlation between higher levels of education, lower levels of unemployment, and median earnings is clear: individuals with a bachelor degree have higher earnings than high school graduates or those who do not graduate. Across majors, UC bachelor degree recipients double their earnings within two to 10 years of graduation and go on to work in critical fields in California, including K-12 education, health care, and technology. Some studies estimate that UC degree recipients will earn over \$1 million more in their careers than counterparts without a degree.

These positive benefits are true for all students who earn bachelor degrees. What makes UC unique is the population it seeks to educate. UC's record is unmatched in extending the benefits of higher education to ever-growing numbers of low-income, first-generation, and underrepresented minority students. Approximately 40 percent of UC undergraduates receive Pell Grants—meaning they come from families with income that is typically below \$50,000—to help cover the cost of their education. This proportion is far higher than at other major research universities. Moreover, these students succeed once they are at UC. Since 2003, UC has graduated 170,000 Pell Grant recipients, with more than 30 percent of them in science, technology, engineering, and math (STEM) fields. More than 70 percent have gone on to work in California after receiving their UC degrees. Within five years of graduating from UC, these low-income students earn an average income higher than their parents' combined incomes during the time those students attended UC.

## DISPLAY 20 EARNINGS FOR PELL GRANT RECIPIENTS EXCEED PARENT INCOME LEVEL WITHIN FIVE YEARS



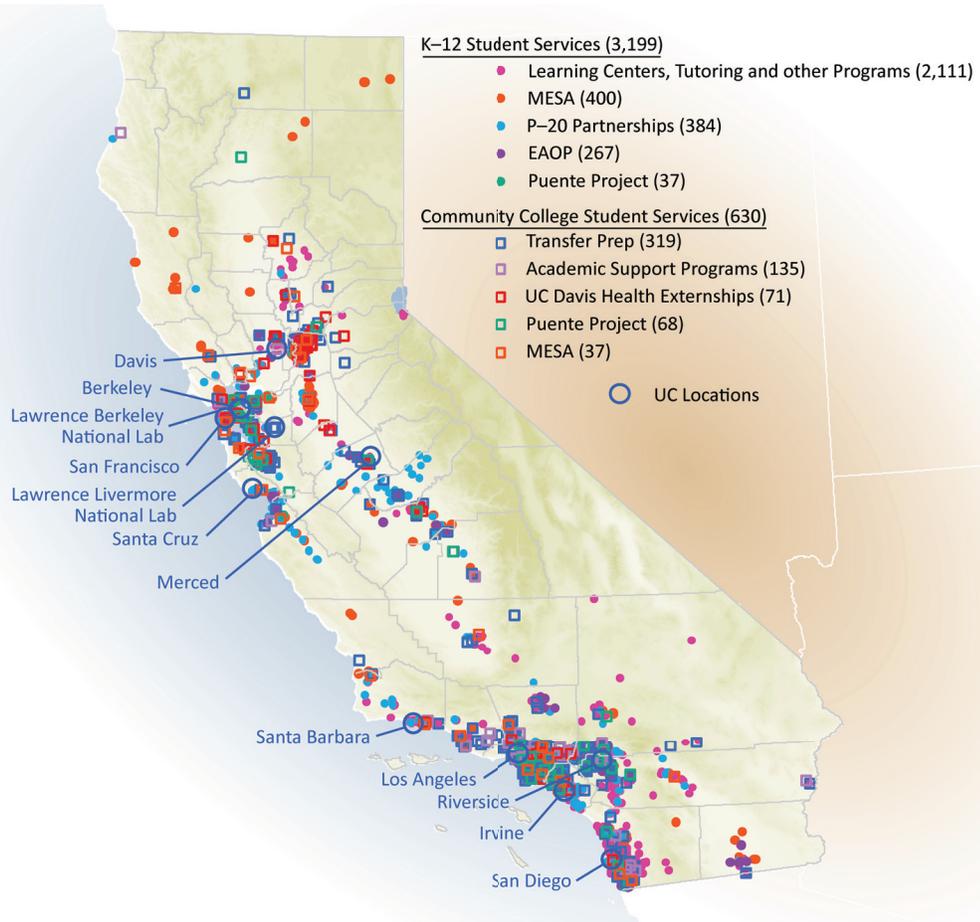
**UC has built a strong pipeline in California to improve access and diversity.**

With the strong support of the legislature, UC spends \$25 million per year providing academic preparation and advising services for low-income and educationally disadvantaged California middle and high school students. College preparation programs serve between 50,000 and 60,000 students at around 500 California K-12 schools per year. Approximately two out of three program participants then go on to enroll at a California Community College, California State University, or University of California campus.

This work covers a wide variety of activities—from supporting schools to developing rigorous college-prep courses to providing students with test preparation and advising. Here are some of the programs UC operates:

- **Early Academic Outreach Program (EAOP)** focuses on “a-g” course access and success and UC access for educationally disadvantaged students.
- **Mathematics, Engineering, Science Achievement (MESA)** raises the number of educationally disadvantaged students who enter college with well-developed math and science skills.
- **The Puente Project** focuses on improving college-preparatory English skills with a focus on multicultural and Latino literature.
- **UC Scout** provides online learning that includes internet-based high school and middle school courses, Advanced Placement courses, and information about “a-g” course requirements.

DISPLAY 21 UC'S ACADEMIC PREPARATION PROGRAMS SERVE STUDENTS ACROSS CALIFORNIA

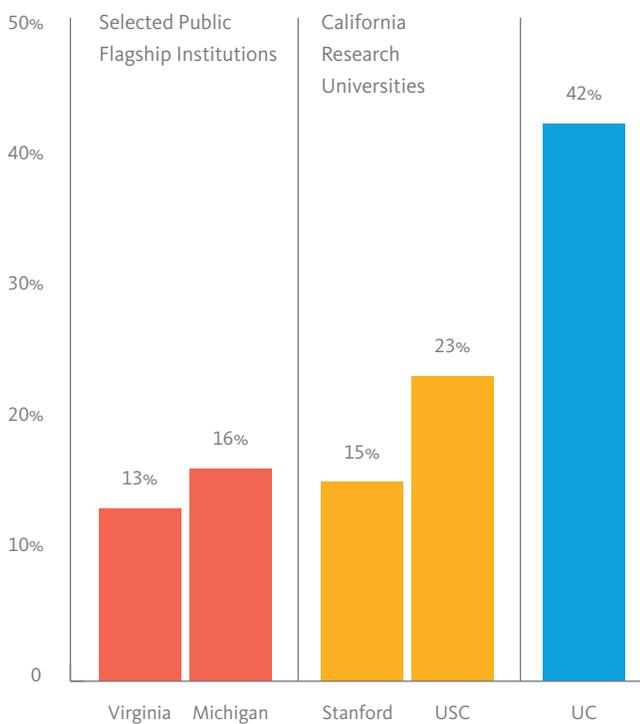


**The number of low-income, first generation, and Pell Grant recipients continues to increase.**

UC admissions policies and processes, coupled with its robust financial aid programs and strong pipeline programs described above, enable UC to enroll a much larger percentage of Pell grant recipients than similar public and private institutions.

**DISPLAY 22 UC ENROLLS A SIGNIFICANTLY HIGHER PERCENT OF PELL GRANT RECIPIENTS THAN ITS COMPARATORS**

**2013-14 undergraduate Pell Grant recipients**



UC remains accessible for students from low-income families. UC has a very high proportion of federal Pell Grant recipients – 42 percent during 2013-14, more than at any comparable public or private institution.

In addition, the number of undergraduates from low-income families, first-generation households, and underrepresented minorities has continued to grow, as shown in Display 23.

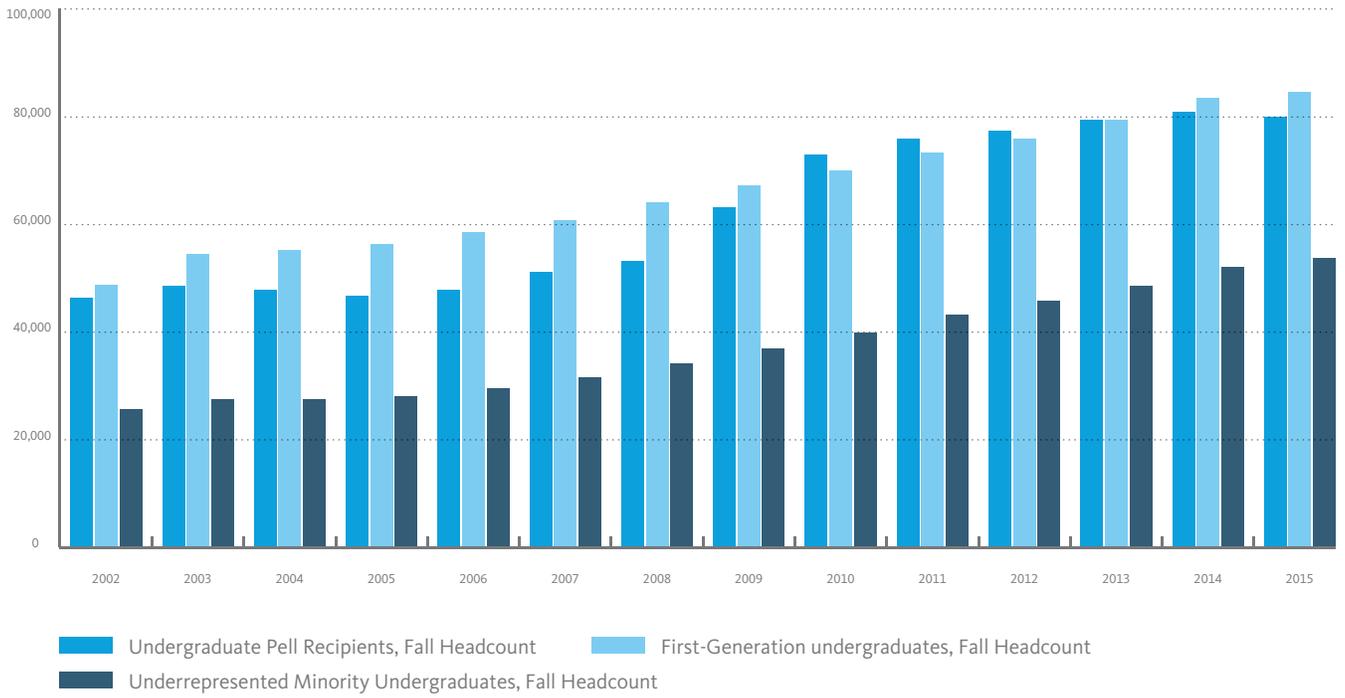
**UC graduation rates are strong and continue to improve.**

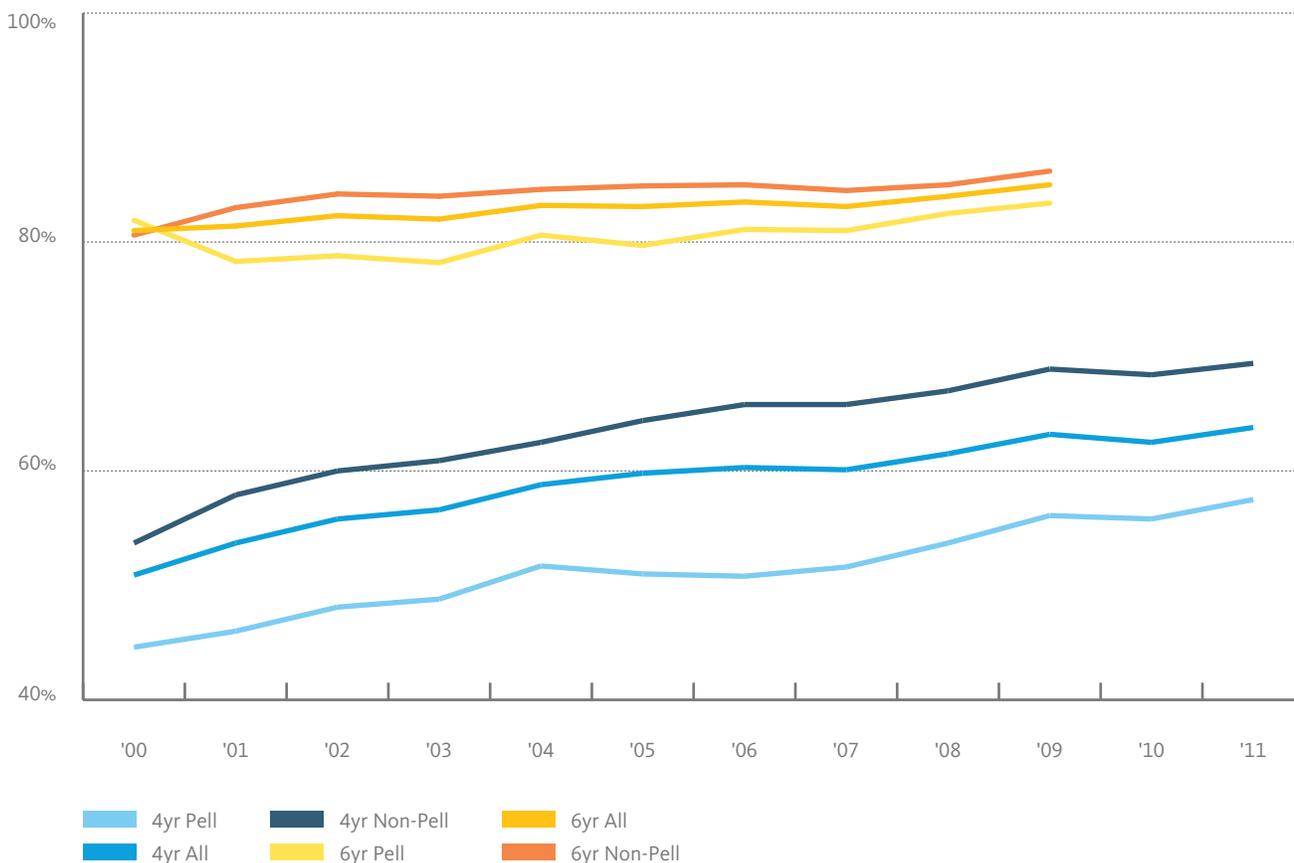
A common metric for evaluating college and university success is the percentage of students that graduate, within four and six years for freshman entrants and two and four years for transfer entrants. Once students are admitted, especially students from disadvantaged backgrounds, UC has programs that smooth the transition from high school to college, including summer orientation and summer bridge programs.

Once they enter UC, students succeed at ever-increasing levels. Compared to other public school options, UC six-year graduation rates are extremely strong, particularly for low-income students.

The four-year freshman graduation rate has improved over time and UC is now at a high point in the four-year rate, with 64 percent of the fall 2011 cohort graduating in four years or less. Similarly, the six-year graduation rate is at a high point, with 85 percent of the 2009 cohort graduating in six years or less. Though a gap between Pell recipients and non-Pell students exists at the four-year mark, it is nearly eliminated at the six-year mark. The gap between Pell and non-Pell four-year graduation rates has declined steadily in recent years.

**DISPLAY 23** THE NUMBER OF UC UNDERGRADUATE PELL GRANT, FIRST GENERATION AND UNDERREPRESENTED MINORITIES HAS GROWN OVER TIME



**DISPLAY 24 UC GRADUATION RATES HAVE CONTINUED TO IMPROVE OVER TIME**

### UC has programs and strategies in place to continue to ensure student success.

UC campuses and the Office of the President are engaging in a variety of efforts to identify what factors foster student success and support timely graduation. These include rethinking course delivery models, evaluating major coursework requirements, expanding use of summer session courses, and leveraging student support programs. As part of the recent framework agreement with the governor, UC agreed to expand a series of programmatic innovations already underway or under development on campuses to improve student success and use resources as efficiently as possible. These strategies include:

- Adaptive Learning – Three campuses are piloting ALEKS, an “adaptive learning technology” focused on improving

student performance and persistence in chemistry and mathematics courses. The three specific uses of ALEKS are different: as a tool to increase student mastery of foundational concepts in chemistry and mathematics so that students place into a higher level chemistry or math course for which they are better prepared, as a summer learning opportunity in advance of undertaking a course during the regular academic year that students often find challenging, and as a learning support system during the academic term.

- Summer Session - Three campuses have established an initiative designed to expand summer enrollment. Each involves a pricing model incentive: a summer enrollment loan program available to all financially needy students, including middle-class students; a summer fee cap whereby UC students receive for free any units taken above eight units;

and low-cost summer housing rates for continuing students who enroll in summer. In addition, as part of the effort to add 5,000 California residents in 2016-17, all campuses are seeking to increase enrollment of UC students in summer 2016.

- Data Analytics – All campuses are working to better use data and technology to identify and provide support early to undergraduate students with a lower likelihood of completing a UC bachelor’s degree or graduating in a timely manner.
- Advising – The Office of the President, working with the campuses, recently provided guidance to campuses on advising practices that support timely graduation of students and help reduce the achievement gap among different socioeconomic cohorts of UC students. The report is also online for anyone to access: [http://ucop.edu/institutional-research-academic-planning/\\_files/Advising\\_strategies.pdf](http://ucop.edu/institutional-research-academic-planning/_files/Advising_strategies.pdf)







University of California  
Office of the President  
1111 Franklin Street  
Oakland, CA 94607-5200