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Enrollment Funding for UC and CSU

LEGISLATIVE ANALYST'S OFFICE

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Subcommittee No. 1 on Education
Hon. Marty Block, Chair





Background



Student Access Under 1960 Master Plan for Higher Education

- The Master Plan limits freshman admissions at UC and CSU to the top 12.5 percent and 33 percent of public high school graduates, respectively.
- The Master Plan also limits CCC transfer admissions to students with a 2.0 GPA at CSU and a 2.4 GPA at UC.
- Master Plan eligibility pools intended primarily to (1) ensure academic quality and (2) control costs.
- Master Plan eligibility targets for freshmen and minimum GPA requirements for transfer students have not been changed since 1960.



Universities Supposed to Align Admissions Policies With Master Plan

- UC's and CSU's admission policies require freshman applicants to take certain classes ("A-G courses") and have minimum GPAs and test scores.
- The state traditionally conducted "eligibility studies" every three to five years to determine if UC's and CSU's freshman admission policies were in line with Master Plan eligibility pools. The last study was conducted in 2007.
- UC's and CSU's admission policies require transfer applicants to take certain courses ("general education courses") and have minimum GPAs.



Background

(Continued)



Most Campuses Have Higher Admission Standards

- The Master Plan established UC as a statewide system. Students meeting the Master Plan eligibility requirements are guaranteed access to the system, but not to a particular campus.
- UC campuses effectively set their own admission cut offs, with some UC campuses having higher average GPA and test scores for their admits than other UC campuses.
- CSU historically has been viewed as a regional system, with local students receiving priority to their local campus.
- Many CSU campuses raise freshman and transfer admission standards for certain majors when applicants exceed capacity. Five CSU campuses have higher admission standards for all of their programs. At these campuses, local students do not necessarily receive priority over nonlocal students.



Background

(Continued)



Enrollment Funding

- In the annual state budget, the Legislature historically (1) specified enrollment levels for the universities and (2) provided additional funding in years when enrollment was expected to grow.
- Enrollment growth funding has been historically based primarily on changes in the college-age population. Eligibility studies were also used to inform enrollment decisions. Enrollment growth decisions historically were not linked to changes in applications because not all applicants are UC or CSU eligible.
- In recent years, the state has not been consistent in setting enrollment targets.
- Without enrollment targets specified in the annual state budget, a lack of clarity now exists around whether UC and CSU were to use part of their funding augmentations the past few years for enrollment growth.

State Has Not Been Using University Enrollment Targets on a Consistent Basis

Full-Time Equivalent (FTE) Students

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
UC								
Enrollment target	198,455	None	None	209,977	209,977 ^a	209,977 ^a	None	None
Actual enrollment	203,906	210,558	213,589	214,692	213,763	211,212	210,986	211,267
Percent change in actual enrollment		3.3%	1.4%	0.5%	-0.4%	-0.5%	-0.1%	0.1%
CSU								
Enrollment target	342,553	None	None	339,873	331,716 ^a	331,716 ^a	None	None
Actual enrollment	353,915	357,223	340,289	328,155	341,280	343,227	351,955	360,000
Percent change in actual enrollment		0.9%	-4.7%	-3.6%	4.0%	-0.4%	2.5%	2.3%

^a State budget did not require the universities to return money if they fell short of the target.



Governor's Proposal

- Governor asserts that enrollment funding is inconsistent with focusing on performance outcomes.
- Governor proposes no enrollment targets or enrollment funding for UC and CSU. However, he makes his proposed base budget augmentation for UC contingent on the university not increasing nonresident enrollment.
- In the budget plans adopted by their governing boards, UC and CSU request funding from the state to increase enrollment by 1 percent and 3 percent, respectively. (Some of this "growth," however, would be to pay for existing students the universities consider to be "unfunded.")
- If they were provided the level of funding included in the Governor's budget, UC indicates it would reduce resident enrollment by 2 percent and CSU reports it would increase resident enrollment by 1 percent.



Assessment



Student Access and Success Twin Goals

- Legislature can fund both student access and student success.
- Governor proposes this budget approach for CCC system.



UC and CSU Likely Drawing From Beyond Their Freshman Eligibility Pools

- Absent an eligibility study, the state lacks solid information on freshman eligibility.
- Our review of the available data suggests UC admitted 13 percent of high school graduates in fall 2013. CSU deemed 36 percent of high school graduates eligible for admission in fall 2014 (but admitted 30 percent).
- Increases in college preparation, changes in university admission policies, and other factors are driving the increase in students meeting UC and CSU admission criteria.



More Data Needed on CSU Transfer Eligibility

- UC reports admitting all transfer students meeting the Master Plan's criteria.
- CSU reports denying 11,800 eligible transfer applicants. However, CSU's data do not show whether campuses are giving preference to nonlocal students over local eligible students.



College-Age Population Expected to Decline

- The college-age population is expected to decline by 1 percent from 2015 to 2016.
- Over the next five years, the state is expected to have 300,000 fewer college-age individuals than today.



Recommendations



Set Enrollment Target at UC at Current-Year Actual Enrollment

- UC appears to be admitting all eligible freshman and transfer applicants.
- The college-age population is expected to decline.



More Information Needed to Set CSU Enrollment Target

- Based on the best available data, CSU appears to be drawing from beyond its Master Plan target for freshmen.
- To determine if additional slots are needed for transfer students, we recommend requiring CSU to report by May 1 on (1) how many eligible transfer students were denied access to their local campuses in fall 2014, and (2) how many nonlocal students were admitted in fall 2014 to campuses denying admission to eligible local transfer students.