

Date of Hearing: March 19, 2013

ASSEMBLY COMMITTEE ON HIGHER EDUCATION  
Das Williams, Chair  
AB 13 (Chávez and Quirk-Silva) – As Amended: March 11, 2013

SUBJECT: Nonresident tuition exemption: veterans.

SUMMARY: Exempts former members of the Armed Forces, who were honorably discharged or released from active duty within the immediately prior year, from paying nonresident tuition at the California State University (CSU) and California Community Colleges (CCC).

EXISTING LAW establishes uniform residency requirements for purposes of ascertaining the amount of fees to be paid by students at CSU and CCC and establishes various exceptions to these residency requirements, including many for current and former members of the Armed Forces (Education Code § 68074 and 68075). The University of California (UC), as a result of its constitutional autonomy, establishes its tuition policies; however, these policies traditionally mirror state policies.

FISCAL EFFECT: Unknown but potentially significant.

COMMENTS: This bill is double-referred to the Assembly Veterans Affairs Committee.

Background. Current law establishes the requirements for determining residency for purposes of paying the lower-cost "in-state" student fees at UC, CSU, and CCC. To qualify for the lower resident fees, students are generally required to have resided in California for more than one year immediately preceding the residence determination date and undertake other specified actions such as registering to vote or registering one's car in California.

What benefit does this bill provide? By removing the requirement that veterans must have served in California for one year immediately prior to discharge, this bill would allow veterans from other states to pay resident tuition rates instead of the higher nonresident rate for up to one year. The Post-9/11 GI Bill benefits fund a student's in-state tuition and fees. Thus, this bill would provide a subsidy equaling the difference between the resident and non-resident fees at the student's college or university during his or her first year. After the first year, when the student will have had the opportunity to establish residency, the Post-9/11 GI Bill would fully cover the student's fees.

Benefits of California-resident classification. UC, CSU, and CCC are publicly subsidized with the proceeds of state taxes; the lower resident fees for students who reside in California reflect the contribution they and their parents have already made by paying taxes in California. The fees charged to non-California residents are intended to cover the cost of the subsidy that is generated by California taxpayers. In addition to in-state tuition and fees, full-time undergraduate students pay the following nonresident tuition:

UC	\$22,878 per year
CSU	\$11,140 per year
CCC	\$208 per unit

Need for this bill. According to the author, the difference between resident and nonresident tuition is a significant financial barrier for veterans from other states who wish to attend a California public institution directly after discharge and before they have had the opportunity to establish residency.

Federal legislation. This bill would extend a benefit to veterans from other states that are not always provided to California veterans. According to the author, only 19 states currently offer similar residency waivers, although several states are considering similar legislation. Federal legislation has been introduced in both the House and the Senate to require institutions that are eligible for Post 9/11 G.I. Bill benefits to charge any veteran the resident tuition rate. The Committee may wish to consider whether California should wait to see if federal legislation is enacted to ensure that California veterans receive the same tuition benefit in all 50 states that we are providing to veterans from other states.

Oversight hearing on student veteran issues. On February 28, 2012, the Assembly Higher Education and Assembly Veterans Affairs Committees held a joint oversight hearing on the challenges facing California student veterans. Several students and representatives from the higher education institutions spoke for the need for more resources for veterans services, including more transition assistance, improving outreach and campus-based programs, and easing the matriculation of prior military learning. The Committee may wish to consider whether funding fee waivers for out-of-state student veterans should be a priority in light of the need to improve services for California student veterans, who may or may not receive the reciprocal benefit in other state.

Revenue loss to the segments. All three segments have seen significant reductions in state support in recent years, resulting in tuition and fee increases and enrollment reductions. This measure would result in further revenue losses to the segments and competition with California residents struggling to get courses. If the intent of this bill is to provide a benefit to non-Californian members of the military, it may be more appropriate to provide this benefit directly, such as through a Cal Grant dedicated to these students for the one year it takes to establish residency. This would allow the Legislature to more easily track the costs of the program, as well as review its merits relative to other student financial aid programs and other state-supported programs, and would spare the segments revenue losses.

Related legislation. SB 290 (Knight), pending in the Senate, is very similar to this bill. AB 2250 (Beth Gaines) of 2012, which died in the Assembly Appropriations Committee, was substantially similar to this bill. AB 2478 (Hayashi), Chapter 405, Statutes of 2012, allowed a student veteran to establish residency within two years, rather than one year, of discharge. Several similar bills have been introduced annually since 2006, and all were held in the Appropriations committees.

REGISTERED SUPPORT / OPPOSITION:

Support

American Federation of State, County and Municipal Employees, AFL-CIO  
American Legion-Department of California  
AMVETS-Department of California  
California Association of County Veterans Service Officers  
California Community College, Chancellor's Office

California State Commanders Veterans Council  
Kern Community College District  
Legion of Valor of the United States of America, Inc.  
MiraCosta Community College District  
San Diego Community College District  
VFW-Department of California  
Vietnam Veterans of America-California State Council  
1 Individual

Opposition

None on file.

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