

Date of Hearing: March 3, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Medina, Chair
AB 27 (Chávez) – As Introduced December 1, 2014

SUBJECT: Public postsecondary education: exemption from nonresident tuition

SUMMARY: Requires the California State University (CSU), and requests the University of California (UC) to exempt from nonresident tuition a nonresident student who is using, or is intending to use, GI Bill educational benefits while enrolled at a CSU or UC. Defines "GI Bill educational benefits" to mean any educational benefit administered by the US Department of Veterans Affairs pursuant to Title 38 of the United States Code that is designed to help eligible veterans or other eligible persons with a relationship to a veteran to cover the costs associated with enrollment as a CSU or UC student.

EXISTING LAW:

- 1) Establishes uniform residency requirements for the purposes of determining the amount of fees to be paid by students attending public institutions of higher education in California and requires California Community College (CCC) districts, California State University (CSU) and University of California (UC) to charge a tuition fee to nonresident students; and, provides for specified exceptions to residence determination for current and former members of the Armed Forces meeting specified requirements.
- 2) Requires the CCC, CSU, and requests UC, (the higher education "segments") to update and adopt policies no later than July 1, 2015, regarding tuition rates for eligible veterans and their eligible dependents to ensure conformity to, and compliance with, the federal Veterans Access, Choice, and Accountability Act of 2014 ("Choice Act", Public Law 113-143) and the requirements of California law.
- 3) Exempts specified California nonresidents from paying nonresident tuition if they attended a California high school for three or more years (or equivalent), graduated from a California high school (or equivalent degree), registered or attended an accredited California higher education institution not before the fall of the 2001-02 academic year, and filed an affidavit, if without lawful immigration status, stating that the student has filed an application to legalize their immigration status or will file such an application as soon as eligible to do so.

FISCAL EFFECT: Unknown.

COMMENTS: *Background.* The U.S Department of Veterans Affairs (VA) administers the federal G.I. Bill to provide education and training benefits to eligible veterans and their eligible dependents. The G.I. Bill specifically states that it will pay all public school in-state tuition and fees. On August 7, 2014, President Obama signed the Choice Act. Among the numerous provisions, the law requires public institutions to provide in-state tuition to specified veterans and eligible dependents in order for the institution to remain eligible to receive G.I. Bill

education payments. The following “covered individuals” are eligible for in-state tuition under the Choice Act:

- 1) A veteran who lives in the state (regardless of formal in-state residence status) in which the higher education institution is located and enrolls within three years of discharge from a period of active duty service of 90 days or more.
- 2) A spouse or child using transferred benefits who lives in the state (regardless of formal in-state residence status) in which the higher education institution is located and enrolls within three years of the transferor’s discharge from a period of active duty service of 90 days or more.
- 3) A spouse or child using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in the state (regardless of formal in-state residence status) in which the higher education institution is located and enrolls within three years of the servicemember’s death in the line of duty following a period of active duty service of 90 days or more.

California response. In response to the enactment of the Choice Act, AB 13 (Conway), Chapter 639, Statutes of 2014, required CSU and CCC districts, and requested UC to update and adopt policies no later than July 1, 2015, regarding tuition rates for eligible veterans and their eligible dependents to ensure conformity to, and compliance with, the Choice Act and the requirements of California law. The Choice Act requires that public institutions either comply with the nonresident tuition/fee waiver or discontinue participation in the GI Bill educational benefits programs. AB 13 (Conway, 2014) did not explicitly require that the segments adopt policies that ensure continued participation in GI Bill educational benefit programs. Arguably, a segment could conform to AB 13 through discontinuing participation in the federal program. Committee staff understands, however, it is unlikely this approach would be used to achieve compliance.

Purpose of this bill. According to the Author, currently the Education Code does not include a waiver to reduce tuition for nonresidents who attend college using G.I. Bill education benefits. If the segments do not comply with the requirements of the Choice Act, not only will they be barred from accepting new students using G.I. Bill educational benefits, but current students will lose their veterans tuition and housing assistance.

UC and CSU compliance. UC indicates that it is prepared to admit veterans and their dependents per the new federal law by the July 1, 2015 Choice Act deadline. UC reports that it is on track to identify and document eligibility for new exemptions; and has been fielding inquiries from non-resident undergraduate applicants who have any indication of a link to the military and is reviewing applicants for eligibility under the terms of the federal law. UC has also updated its webpage to reflect the new eligibility for veterans under the Choice Act. Committee staff understands that CSU intends to comply with the requirements of the Choice Act. However, CSU has not yet formally outlined how the segment plans to achieve compliance.

Federal waiver. According to information provided by the VA, the VA is in the process of developing waiver criteria for States that are actively pursuing changes to comply with the requirements of the Choice Act. More information regarding the waiver criteria is expected to be

released in the coming weeks and will be included in a regulation published in the Federal Register.

Related legislation. AB 13 (Chávez) requires a CCC to exempt from nonresident tuition a nonresident student who is using, or is intending to use, GI Bill educational benefits while enrolled at a CCC and provides that these students may be reported as full-time equivalent students for purposes of state apportionment. AB 13 is pending before the Assembly Higher Education Committee.

Recommended amendments. The Committee may wish to consider the following amendments:

- 1) To provide for consistency with the benefit required pursuant to the Choice Act, the Committee may wish to amend Page 3, to strike lines 19–24, and amend lines 11–18, to read:

(c) (1) Notwithstanding any other law, the California Community Colleges and the California State University shall, and the University of California is requested to, update and adopt policies no later than July 1, 2015, regarding tuition rates for eligible veterans and their eligible dependents to ensure continued participation in GI Bill educational benefits programs, and conformity to, and compliance with, the federal Veterans Access, Choice, and Accountability Act of 2014 (Public Law 113-146) and the requirements of this section.

- 2) To allow for the nonresident tuition exemption authorized by this bill to be in effect as soon as possible, the Author has requested to add an urgency clause so that the provisions take effect immediately upon the bill being chaptered.

REGISTERED SUPPORT / OPPOSITION:

Support

California Catholic Conference, Inc.
California Community Colleges, Chancellor's Office

Opposition

None on File

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