

Date of Hearing: August 6, 2013

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Das Williams, Chair
SB 290 (Knight) – As Amended: May 28, 2013

SENATE VOTE: 39-0

SUBJECT: Nonresident tuition exemption: veterans.

SUMMARY: Allows a member of the Armed Forces of the United States who was stationed in this state on active duty for more than one year immediately prior to being discharged to utilize the currently authorized one-year exemption from nonresident tuition as an undergraduate at California State University (CSU) or University of California (UC) within 2 years of being discharged if he/she files an affidavit with the enrolling institution stating that he/she intends to establish residency in California as soon as possible.

FISCAL EFFECT: According to the Senate Appropriations Committee, the cost of the nonresident tuition exemption to the UC and CSU depends upon the number of veterans that meet the narrow requirements to qualify for the exemption.

Each affected veteran enrolling as an undergraduate in the CSU would be eligible to pay \$5,472 per year, instead of \$5,472 + \$372 per unit (which would be an additional \$11,160 per year for two 15-unit course load semesters). Each affected veteran enrolling as an undergraduate in the UC would be eligible to pay \$12,192 instead of \$35,070, a difference of \$22,878.

The number of veterans who will be eligible to benefit from this bill is not known, but it likely to be very small (although, the number may increase with this additional benefit). The CSU has indicated it currently serves approximately 350 nonresident veterans. If even 10% of them meet the other eligibility criteria in this bill to qualify for in-state tuition under this bill, and were full-time students, revenue loss to the CSU would be nearly \$400,000.

COMMENTS: Background. Existing California law allows a discharged military student to pay resident tuition until the student has stayed in California long enough to establish residency (normally one year). This non-resident tuition exemption applies to students who were stationed in California for one year prior to discharge. For tuition purposes, there may be only one residence; in order to become a California resident the student must relinquish residency in the student's former state of residence.

In order to provide veterans time after discharge to return to their home state to settle affairs, in 2012 the Legislature approved AB 2478 (Hayashi) to allow CCC students to utilize the residency tuition benefit within two-years from date of discharge. Under this allowance, students are required to file an affidavit declaring their intention to establish residency as soon as possible. This bill extends this provision to undergraduate students at CSU and UC.

Purpose of this bill. According to the author, currently veterans who have served at least 90 days on active duty are eligible to receive a Government Issued Bill (or GI Bill) to help pay for their college education. These federal dollars pay up to 100% of in-state tuition costs, in addition to providing a housing allowance and a book allowance to the veteran. However, many veterans

who were stationed at bases in California just prior to discharge (and have been paying California State Taxes) have not had the opportunity to establish residency. This bill would allow a qualifying veteran student up to two years to utilize the benefit of in-state tuition as an undergraduate at a public four year institution in California.

UC Constitutional autonomy. The California Constitution (Section 9 of Article IX) establishes UC as a public trust and confers the full powers of the UC upon the UC Regents. The Constitution establishes that the UC is subject to legislative control only to the degree necessary to ensure the security of its funds and compliance with the terms of its endowments. Judicial decisions have held that there are three additional areas in which there may be limited legislative intrusion into university operations: authority over the appropriation of state moneys; exercise of the general police power to provide for the public health, safety and welfare; and, legislation on matters of general statewide concern not involving internal university affairs. UC retains authority to establish residency and tuition policies for veterans, including the authority to choose to adopt the provisions of this legislation; however, UC policies have traditionally mirrored state policies in this arena.

CSU relevant information. While CSU has not taken a position on this bill, the committee did receive a letter from CSU regarding this bill. Specifically, CSU notes that there are three state-mandated tuition waiver programs in place; CSU indicates that the tuition fee revenue forgone by the CSU for these existing programs was more than \$30.5 million in 2012-13. CSU requests that "a specific appropriation be added to the program proposed by this bill."

Related legislation. AB 13 (Chávez) provides the exemption contained in this bill to members of the Armed Forces discharged or released within the immediately prior year but does not require that the individual have been stationed in California immediately prior to being discharged. This bill was approved by a vote of 13-0 on March 19, 2013 in this Committee and is currently pending in the Senate Appropriations Committee. Committee staff recommends authors address chapering out issues prior to the two bills moving to the Governor.

Double-referral. This bill has been double-referred to Assembly Veterans Affairs Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

American Legion-Department of California
AMVETS-Department of California
California State Commanders Veterans Council
Community College League of California
Veterans Caucus, California Democratic Party
VFW-Department of California
Vietnam Veterans of America-California State Council

Opposition

None on File

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