

Date of Hearing: July 7, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 605 (Gaines) – As Amended June 2, 2015

SENATE VOTE: 39-0

SUBJECT: Community colleges: exemption from nonresident tuition fee: Lake Tahoe Community College District.

SUMMARY: Exempts persons residing in specified communities in the State of Nevada from paying non-resident tuition fees if they attend the one California Community College (CCC) within the Lake Tahoe Community College (LTCC) District (LTCCD). Specifically, **this bill:**

- 1) Exempts up to 200 students in any academic year who attend LTCC from being charged non-resident student tuition fees if they reside in one of the following communities in the state of Nevada:
 - a) Incline Village;
 - b) Kingsbury;
 - c) Round Hill;
 - d) Skyland;
 - e) Stateline; and,
 - f) Zephyr Cove.
- 2) Deems a student to have residence in one of the communities, as specified above, if he/she lived in said community for more than one year immediately prior to seeking the fee exemption.
- 3) Requires the governing board of LTCCD to adopt rules and regulations for determining a student's residence classification and for establishing procedures to appeal and review this determination.
- 4) Authorizes LTCCD to report the non-resident students who are exempt from paying non-resident fees, as specified, as resident full-time equivalent students (FTES) for state apportionment purposes.
- 5) Requires any non-resident students reported as resident FTES for apportionment purposes, as specified, to pay a per unit fee that is three times the amount of the fee established for residents, consistent with existing law.
- 6) Sunsets these provisions on July 1, 2022.

- 7) Makes the provisions of this measure operative only if, by July 1, 2021, the following occurs:
 - a) The CCC Board of Governors (BOG) enters into an interstate attendance agreement with the Nevada System of Higher Education; and,
 - b) The agreement provides reciprocal rights to California residents attending Western Nevada College that reasonably conform to the benefits conferred upon Nevada residents by the provisions of this measure.
- 8) Requires the CCC Chancellor to promptly post notice of the interstate attendance agreement on the CCC Internet Web site.

EXISTING LAW:

- 1) Authorizes the CCC BOG to enter into an interstate attendance agreement with any statewide public agency of another state that is responsible for public institutions of postsecondary education providing the first two years of college instruction, and that is an agency of a state that is a member of Western Interstate Commission for Higher Education (WICHE) (Education Code Section 66801).
- 2) Authorizes a community college district (CCD) to admit nonresident students; requires that said students be charged a tuition fee that, as of July 1, 2013, is three times the amount of the fee established for in-state resident students, with certain specified exemptions; and, prohibits nonresident students from being reported as FTES for state apportionment purposes, except where: a) the CCD has less than 1,500 FTES and is within 10 miles of another state and has a reciprocity agreement with that state, or b) if a CCD has between 1,501 and 3,000 FTES and is within 10 miles of another state and has a reciprocity agreement with that state, they can claim up to 100 FTES for state apportionment purposes (EC Section 76140).

FISCAL EFFECT: According to the Senate Appropriations Committee, costs to the state of up to \$136,000 Proposition 98 General Fund (net of tuition fee revenue and state apportionment costs). To note, this estimate assumes that 200 students equates to 100 FTES taking 24 semester units per year, and that these students pay a per unit fee that is three times the amount of the fee established for residents.

COMMENTS: *Need for the measure.* According to the author, "Current law does not recognize the seamless, regional economy that is the Lake Tahoe Basin, and works against sustainable prosperity on the California side by choking off educational opportunities for students who live on the Nevada side." The author contends that by making LTCC more affordable to a limited number of Nevada students who live close to the college, "California can better serve more students who are seeking to improve their academic or career skills and ultimately contribute to the economic and social health of the region."

Lake Tahoe Community College District (LTCCD). The LTCCD is a district with more than 1,500 but less than 3,001 FTES and is less than 10 miles from the State of Nevada. However, in order to qualify for the exemption provided by Education Code Section 76140(i), there must be a reciprocity agreement between California and Nevada governing student attendance and fees.

LTCCD lies on the border of Nevada. Populations on both sides of the border are closely integrated in various ways, including education. Historically, LTCCD enrolled Nevada residents and exempted them from nonresident tuition fees under an interstate agreement known as a "Good Neighbor Policy (GNP)." However, on September 1, 2011, the State of Nevada terminated this long-standing interstate attendance agreement with the CCC BOG. Thus, since 2011, there has not been a statewide agreement between Nevada and California regarding community college attendance and tuition.

Western Interstate Commission for Higher Education (WICHE). California and Nevada, along with a number of other states, participate in WICHE. WICHE oversees three student reciprocal exchange programs allowing students to attend out of state universities at a reduced rate. However, the CCC system is not participants in the Western Undergraduate Exchange, the WICHE exchange program serving undergraduates.

Reciprocity agreement. Reciprocity agreements allow the flow of tangible economic and educational benefits to citizens of California and Nevada. The absence of a GNP or reciprocity agreement shifts the total burden of paying for these benefits to California residents.

According to the CCC Chancellor's Office (CCCCO), the Tahoe Basin is a single economy; "divided by a political boundary" that has little meaning to the people in the region. Many people in the region live in one state and work in the other. The CCCCCO contends that for many Nevada residents, crossing the state line to attend LTCC, which is situated 3.3 miles from the California/Nevada border, is the most efficient means of completing their college education. To note, according to the LTCCD, the next nearest public institution of higher education is 25 miles away in Nevada; an hour drive through mountainous terrain or basically impossible in severe winter weather conditions.

Additionally, Nevada Senate Bill 414 (Settelmeyer), which was signed into law on June 5, 2015, encourages the Board of Regents of the University of Nevada to enter into a reciprocal agreement with the State of California in order to authorize waivers of nonresident tuition to certain residents of the Lake Tahoe Basin. According to the LTCCD, the Chancellor of the Nevada System of Higher Education has agreed to negotiate a GNP with the State of California, if this measure is enacted into law.

To note, the provisions of SB 605 become operative only if, by July 1, 2021, the appropriate entities enter into a reciprocity agreement and residents of both states benefit from the agreement.

REGISTERED SUPPORT / OPPOSITION:

Support

Alling & Jillson, LTD.
California Community Colleges Chancellor's Office
Community College League of California
Feldman McLaughlin Thiel, LLP
Heavenly Lake Tahoe
Lake Tahoe Community College District
Lake Tahoe South Shore Chamber of Commerce

Three individuals

Opposition

None on file.

Analysis Prepared by: Jeanice Warden / HIGHER ED. / (916) 319-3960