

Date of Hearing: March 18, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 556 (Patterson) – As Introduced February 12, 2025

**[Note: This bill is doubled referred to the Assembly Committee on Military and Veterans Affairs and will be heard by that Committee as it relates to issues under its jurisdiction.]**

**SUBJECT:** Public postsecondary education: waiver of campus-based fees: veterans

**SUMMARY:** Specifies that a campus of the University of California (UC), the California State University (CSU), or the California Community Colleges (CCC) must not charge any mandatory campus-based fees to certain veterans and their dependents, as specified. Specifically, **this bill:**

- 1) Specifies that a campus of the UC, the CSU, or the CCC must not charge any mandatory campus-based fees, including, but not limited to, enrollment fees, registration fees, differential fees, incidental fees, student services fees, or technology fees, to any of the following:
  - a) An eligible dependent, defined as:
    - i) The unmarried child of a veteran who is totally service-connected disabled, or whose death was officially rated as service-connected is eligible. The child must be over 14 years old and under 27 years old to be eligible. If the child is a veteran, then the age limit is extended to 30 years old;
    - ii) The spouse of a wartime veteran who is totally service-connected disabled is eligible. There are no age limit restrictions;
    - iii) The unmarried surviving spouse of a wartime veteran whose death has been rated as service-connected is eligible. There are no age limit restrictions; and,
    - iv) Any dependent of any veteran who has been declared missing in action, captured in the line of duty by hostile forces, or forcibly detained or interned in the line of duty by a foreign government or power is eligible.
  - b) Any child of a veteran who has a service-connected disability, or had a service-connected disability at the time of death, or died of service-related causes is eligible., including the value of any support received from a parent, does not exceed the state poverty level, as specified;
  - c) A dependent, or a surviving spouse who has not remarried, of any member of the California National Guard who, in the line of duty, and while in the active service of the state, was killed, died of a disability resulting from an event that occurred while in the active service of the state, or is permanently disabled as a result of an event that occurred while in the active service of the state; and,

- d) An undergraduate student who is a recipient of a Medal of Honor, commonly known as a Congressional Medal of Honor, or an undergraduate student who is a child of a recipient of a Medal of Honor and who is no more than 27 years old, if both of the following requirements are met:
  - i) The undergraduate student's annual income, including the value of any support received from a parent, does not exceed the state poverty level, as specified; and,
  - ii) The recipient of the Medal of Honor who is or was the parent of the undergraduate student is, or at the time of the recipient's death was, a California resident.

**EXISTING LAW:**

*Federal law.* Establishes educational benefits for the spouse and children of both currently serving members of the Armed Forces of the United States and veterans, in such instances where the servicemember or veteran is permanently and totally disabled due to a service-connected disability, or died while on active duty or as a result of a service-connected disability. (38 U.S. Code Section 3500, et seq.)

*State law.*

- 1) Establishes the UC as a public trust to be administered by the Regents of the UC; and, grants the Regents full powers of organization and government, subject only to such legislative control as may be necessary to insure security of its funds, compliance with the terms of its endowments, statutory requirements around competitive bidding and contracts, sales of property and the purchase of materials, goods and services (Article IX, Section (9)(a) of the California Constitution).
- 2) Establishes the Donahoe Higher Education Act, setting forth the mission of the UC, CSU, and CCC (Education Code (EDC) Section 66010, et seq.).
- 3) Confers upon the CSU Trustees the powers, duties, and functions with respect to the management, administration, control of the CSU system and provides that the Trustees are responsible for the rule of government of their appointees and employees (EDC Sections 66606 and 89500, et seq.).
- 4) Establishes the CCC under the administration of the Board of Governors of the CCC, as one of the segments of public postsecondary education in this state. The CCC is comprised of community college districts (EDC Section 70900).
- 5) The Donahoe Higher Education Act prohibits campuses of those segments from charging mandatory systemwide tuition or fees to specified students who apply for a waiver, including a child of any veteran of the United States military who has a service-connected disability, has been killed in service, or has died of a service-connected disability, where the annual income of the child, including the value of any support received from a parent, does not exceed the state poverty level, as defined. (EDC Section 66025.3, et seq.)

- 6) Established the Working Families Student Fee Transparency and Accountability Act, which requires notice, consultation, and timeframe requirements for UC and CSU regarding the approval and implementation of student fee increases (EDC Section 66028, et seq.)
- 7) Establishes various educational benefits for dependents of veterans who were killed during military service or are totally disabled, as specified; defines “dependent of a veteran” to include the spouse of a totally disabled veteran; and prohibits a dependent of a veteran from receiving these educational benefits during the time the dependent is entitled to receive specified federal educational benefits or duplicative duplicate assistance from any other government source. (Military and Veterans Code (MVC) Section 890, et seq.)

**FISCAL EFFECT:** Unknown.

**COMMENTS:** *Purpose.* According to the author, “The current College Fee Waiver for Veteran Dependents (CalVet waiver) has been a vital boost for the dependents and spouses of veterans or members of the National Guard disabled or killed in service as well as Medal of Honor recipients and their dependents. By waiving tuition and system-wide fees, California has been able to provide for a particularly vulnerable group of people.”

“The issue in current law is that campus-based fees are not waived by the CalVet waiver. These costs are relatively high. According to the Legislative Analyst’s Office, the average campus fee is \$232 at a California Community College, \$1,604 at a University of California, and \$1,782 at a California State University. These fees can bar families who are otherwise eligible from entering and benefiting from California’s higher education system. The families harmed by these fees are those who have already sacrificed so much to protect all Californians and Americans.”

“Veterans and their families have sacrificed significantly in their service to the state and nation. This bill would allow veteran families to receive the education they were promised by preventing California public colleges from charging them campus-fees.”

*College Fee Waiver for Veteran Dependents.* The California Department of Veterans Affairs (CalVet) administers the College Fee Wavier for Veteran Dependents, which waives mandatory system-wide tuition and fees at any CCC, CSU, or UC campus. This program does not cover the expense of books, parking, room and board, or mandatory campus fees. There are four plans under which dependents of Veterans may be eligible, Plans A, B C, and D.

Plan A is restricted to:

- 1) The unmarried child of a veteran who is totally service-connected disabled, or whose death was officially rated as service-connected is eligible. The child must be over 14 years old and under 27 years old to be eligible. If the child is a veteran, then the age limit is extended to 30 years old.
- 2) The spouse of a wartime veteran who is totally service-connected disabled is eligible. There are no age limit restrictions.

- 3) The unmarried surviving spouse of a wartime veteran whose death has been rated as service-connected is eligible. There are no age limit restrictions.
- 4) Any dependent of any veteran who has been declared missing in action, captured in the line of duty by hostile forces, or forcibly detained or interned in the line of duty by a foreign government or power is eligible.

The veteran must have served at least one day of active duty during a period of war as declared by the U.S. Congress, or during any time in which the veteran was awarded a campaign or expeditionary medal. Concurrent receipt of benefits under Plan A and VA Chapter 35 benefits is prohibited.

Plan B covers the child of a veteran who has a service-connected disability, or had a service-connected disability at the time of death, or died of service-related causes is eligible. The child's annual income, which includes the child's adjusted gross income, plus the value of support provided by a parent, may not exceed the annual income limit. The current academic year entitlement is based upon the previous calendar year's annual income.

Under Plan B, wartime service is not required and there are no specific age requirements. Children are the only dependents eligible under this plan. There is no prohibition against receiving concurrent VA Chapter 35 benefits.

Plan C covers any dependent of any member of the California National Guard, who in the line of duty while on active service to the state, was killed, died of a disability resulting from an event that occurred while in active service to the state, or is permanently disabled as a result of an event that occurred while in the service to the state is eligible. Surviving spouses who have not remarried are also eligible. "Active service to the state," for the purpose of this benefit, means a member of the California National Guard activated pursuant to Section 146 of the MVC.

Plan D covers Medal of Honor recipients and children of Medal of Honor recipients under the age of 27 may qualify. Benefits under Plan D are limited to undergraduate studies only, and applicants are subject to both income and age restrictions. There is no prohibition against receiving concurrent VA Chapter 35 benefits.

*Systemwide tuition.* The UC, CSU, and CCC each assess mandatory systemwide student tuition and fees that, as noted above, are waived for recipients of the College Fee Waiver for Veteran Dependents. According to the LAO, the largest nonstate core fund source for UC and CSU is student tuition revenue. CSU and UC currently have tuition policies in place that generally raise tuition charges moderately each year. UC began raising its tuition charges in 2022-23, with CSU following in 2024-25. Prior to having these policies, CSU and UC had held their resident undergraduate and graduate tuition charges flat for an extended period, with these charges raised once only since 2011-12. (In 2017-18, CSU and UC raised resident tuition charges by 5% and 2.7%, respectively. In a few other years, UC also assessed small increases to its Student Services Fee.)

Beyond tuition increases, tuition revenue also grows as enrollment increases. Total tuition revenue (accounting for increases in tuition charges and enrollment) is estimated to rise \$188 million (5.4 percent) at CSU and \$241 million (4.4 percent) at UC in 2025-26.

*Campus fees.* In addition to systemwide tuition, individual campuses often assess fees to support health centers and services, student unions, and student success programs. These fees can, and do, vary widely by campus. For example, CSU Channel Islands charges \$1,075 dollars for their campus fees, while Cal Poly San Luis Obispo charges \$6,077.00 dollars. According to a projection by the Legislative Analysts' Office in January of 2025, campus fees are expected to average \$258 dollars at CCC campuses, \$2,080 dollars at CSU campuses, and \$1,812 in 2025-2026.

*Arguments in support.* The American Legion Department of California, AMVETS Department of California, and the Military Officers Association of America-California Council of Chapters jointly wrote a letter in support of AB 556 (Patterson), noting that "AB 556 addresses a critical gap in our current higher education system by ensuring that public state universities do not charge campus fees to students receiving CalVet fee waivers. Under existing law, while eligible dependents and survivors of military and National Guard service members are exempt from tuition and systemwide fees, they remain vulnerable to additional financial burdens imposed by campus fees. These fees, averaging from \$232 at community colleges to \$1,800 at California State Universities, can impose significant hardship on families already coping with the economic impacts of military service, including funeral and medical expenses and reduced household income."

"By waiving these campus fees, AB 556 will alleviate financial strain for eligible veterans and their families and improve access to higher education. Easing this burden is essential for promoting long-term financial stability, as higher education is a key driver in enhancing economic opportunity and security. This legislation represents an important step toward honoring our veterans' sacrifices and supporting their families' educational aspirations."

*Arguments in opposition.* CSU Chancellor's Office wrote in opposition to AB 556, noting that "The CSU has long supported our military veterans and their dependents and has been engaged with the CalVet programs for many years. The program offers veterans, active-duty service members and their families access to programs and opportunities so they can achieve their personal and professional goals. Each of our 23 universities has a Veteran Success Center that helps military-connected students successfully navigate their college experience. These services include career counseling, community building and connecting students to professional development opportunities that leverage their military experience. CSU student veterans additionally receive special admissions consideration and priority registration, as well as academic credit for military courses and experience. In Fall 2023, the CSU is proud to have enrolled and supported more than 9,000 veterans and their dependents under the CalVet program. Our commitment to our students who have served their country in the armed services and their dependents is unwavering."

"As proposed, AB 556 would prohibit the collection of mandatory campus-based fees from those that are eligible for a CalVet fee waiver. The mandatory campus-based fees are allocated for various student services, including student unions, Associated Students and recreation and

wellness centers. In many cases, these fees are voted upon by the students and cover the debt service costs to construct the facilities which provide the services students sought. Using the campus-based fees currently assessed, this bill would reduce total campus revenues by an estimated \$19 million annually during a difficult period in which the Governor has proposed a \$375 million cut to the CSU's budget.”

“The CSU, and its 23 universities, remain absolutely committed to working with our veterans and their families to provide the educational opportunities they desire. Unfortunately, AB 556 would create unintended consequences and jeopardize our university's ability to deliver vital educational programming without the necessary resources to maintain those programs.”

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

American Legion, Department of California

Amvets, Department of California

Military Officers Association of America, California Council of Chapters

##### **Opposition**

California State University, Office of the Chancellor

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