

Date of Hearing: April 8, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 1346 (DeMaio) – As Introduced February 21, 2025

[Note: This bill is double-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: residency: dependents of members of the Armed Forces: reenrollments

SUMMARY: Extends an existing prohibition against losing resident classification to student dependents of a member of the Armed Forces of the United States who are granted the right to reenroll in a public institution of higher education, even if the member of the Armed Forces has been transferred out of state or has retired from active duty. Specifically, **this bill:**

- 1) Specifies that if a member of the Armed Forces of the United States, whose dependent natural or adopted child, stepchild, or spouse is in attendance at, or has been admitted to, a public postsecondary institution, is thereafter transferred on military orders to a place outside this state where the member continues to serve in the Armed Forces of the United States, or is thereafter retired as an active member of the Armed Forces of the United States, the student dependent shall not lose their resident classification so long as the student is granted to reenrollment, as specified.

EXISTING LAW:

- 1) Establishes the University of California (UC) as a public trust to be administered by the Regents and grants the Regents full powers of organization and governance subject only to legislative control as necessary to ensure the security of funds, compliance with terms of its endowments, and the 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 and assigns the mission of the UC and the California State University (CSU) (Education Code (EDC) Section 66010, et seq.).
- 3) Stipulates no provision of the Donahoe Higher Education Act shall apply to the UC unless the UC Regents adopts the provision (EDC Section 67400).
- 4) Establishes the CSU system, made of 23 campuses, and bestows upon the CSU Trustees, through the Board of Trustees, the power, duties, and functions with respect to the management, administration, and control of the CSU system (EDC Section 66606 and 89030 et seq.).
- 5) Requires the CSU, and requests the UC, to require each campus in their respective systems to grant students the right to reenroll in their baccalaureate degree program after withdrawing or stopping out, if the student was in good academic standing with the university. (Education Code (EDC) Section 66208)

- 6) Establishes uniform student residency requirements for purposes of ascertaining the amount of tuition and fees to be paid by students of public postsecondary educational institutions. (EDC Section 68000, et seq.)
- 7) Existing law entitles a student to resident classification for the purpose of determining tuition and fees if the student is a member, or a natural or adopted child, stepchild, or spouse who is a dependent of a member, of the Armed Forces of the United States stationed in the state on active duty, except as specified. (EDC Sections 68074-68075)
- 8) Existing law prohibits a student who is attending, or has been admitted to, a public postsecondary educational institution from losing their resident classification if they are continuously enrolled at that institution and a dependent of a member of the Armed Forces of the United States, even if that member is (1) thereafter transferred on military orders to a place outside this state where the member continues to serve in the Armed Forces of the United States, or (2) thereafter retired as an active member of the Armed Forces of the United States. (EDC Section 68074 (b))

FISCAL EFFECT: Unknown

COMMENTS: *Purpose.* According to the author, “AB 1346 is a powerful tool to help our military dependents unlock their educational opportunities. This proposal will support students who faced setbacks but are determined to continue their education. By enabling them to return to school and still benefit from resident tuition rates, this legislation recognizes California’s commitment to second chances and personal growth.”

Background. AB 1796 (Choi), Chapter 323, Statutes of 2022, required each CSU campus – and requested that each UC campus, grant students the right to reenroll after withdrawing or stopping out, if the student was in good academic standing at the university. This policy was crafted, in part, as a response to the COVID-19 pandemic, when California campuses experienced both declines in enrollment and persistence.

As noted in the Legislative Analyst’s Office (LAO) *Higher Education Overview* published in February of 2025, “the 2024-25 Budget Act specified that CSU was to grow resident undergraduates by approximately 6,300 full-time equivalent (FTE) students in 2024-25 and about 10,200 FTE students in 2025-26. The 2024-25 Budget Act specified that UC was to grow resident undergraduates by approximately 3,000 FTE students each year from 2024-25 through 2026-27. As of January 2025, both segments report exceeding their growth targets in 2024-25, leaving less growth needed to meet their 2025-26 targets. (The annual targets for UC include the expected replacement of 902 FTE nonresident students with resident undergraduates across three high-demand campuses. UC reports exceeding this expectation too in 2024-25.)”

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.

Military dependents. Existing law entitles dependents of members of the Armed Forces of the United States stationed in California on active duty to in-state tuition. That entitlement stays with the dependent even in the event that the member of the armed forces is later stationed outside of California or retires from the armed forces – provided the dependent is continuously enrolled in their institution of higher education.

AB 1346 seeks to conform this entitlement with the reenrollment policy codified by AB 1796 (Choi), Chapter 323, Statutes of 2022 – ensuring that dependents of members of the armed forces are allowed to retain their in-state tuition provided they are granted reenrollment.

Arguments in support. The Military Officers Association of America-California Council of Chapters wrote in support, stating that, “dependents of service members can face unique challenges including frequent relocations, interrupted learning, social integration difficulties, and navigating varying academic standards and support systems. Because the qualifying parent was transferred or moved, that should not disqualify the student’s college benefit. These students, because they are college-aged and in the middle of their education, are not in a good position to incur unforeseen tuition costs. The people of California want to acknowledge their appreciation of military service by granting servicemember’s dependents special considerations regarding higher education. AB 1346 acknowledges that commitment by fixing a minor gap in previous legislation.”

Prior legislation. AB 1796 (Choi) Chapter 323, Statutes of 2022, required the CSU, and requested that the UC, require each campus in their respective systems to grant students the right to reenroll in their baccalaureate degree program after withdrawing or stopping out, if the student was in good academic standing with the university.

AB 172 (Chavez), Chapter 165, Statutes of 2017, extended resident classification for designated dependents of transferred and retired members of the Armed Forces of the United States to those dependents who have been admitted to a public postsecondary institution before the transfer or retirement.

REGISTERED SUPPORT / OPPOSITION:

Support

Military Officers Association of America-California Council of Chapters

Opposition

None on file.

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