

Date of Hearing: June 15, 2021

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 701 (Committee on Education) – As Amended April 5, 2021

SENATE VOTE: 37-0

SUBJECT: Public postsecondary education: federal GI Bill: nonresident tuition: real property

SUMMARY: Corrects technical errors and oversights, and makes numerous non-controversial and conforming changes to various provisions of the Education Code. Specifically, **this bill:**

- 1) Provides that beginning on or after August 1, 2021, in conformity with federal law enacted on January 5, 2021, that eliminated the requirement of the expiration of a 3-year period, that such a student is deemed to maintain “covered individual” status as long as the student remains eligible for education benefits under 3 specified categories of federal GI Bill beneficiaries.
- 2) Under provisions that authorize California State University’s (CSU) foreign student exchange program, eliminates the requirement that a nonresident student who is both a citizen and a resident of a foreign country receiving an exemption from paying the full nonresidential tuition fee not be a citizen of the United States; thereby, allowing students who have dual citizenship status to participate in the program.
- 3) Modifies eligibility for a waiver or reduction in tuition fees at CSU that is authorized under current law for international students on the basis of demonstrated need and scholastic achievement by requiring those students be enrolled in a full-time course of study (typically 12 semester units) instead of no less than 10 semester units.
- 4) Allows jurisdiction of real property owned by the state to be transferred with written approval of the director of General Services to the CSU and as long as CSU consents to the transfer.
- 5) Makes other technical, non-substantive changes.

EXISTING LAW:

- 1) Effective for academic terms beginning after July 1, 2019, existing law exempts a student enrolled at a campus of the California Community Colleges (CCC) or the CSU from paying nonresident tuition or any other fee that exclusively applies to nonresident students if the student resides in California, meets the definition of “covered individual” under federal law, and is eligible for education benefits under 3 specified categories of beneficiaries under the federal GI Bill, as the federal law read on January 1, 2019. After the expiration of a 3-year period following a discharge under federal law, existing law deems such a student as maintaining “covered individual” status as long as the student remains continuously enrolled, as defined, at a campus, and requires the student to continue to be exempt from paying the tuition and fees described above. (Education Code (EDC) Section 68075.7 et. al.)

- 2) Authorizes the Trustees of the CSU to waive entirely, or reduce below the rate, or the minimum rate, the tuition fee of a nonresident student who is both a citizen and a resident of a foreign country and not a citizen of the United States, and who attends a state university or college under a student exchange program, as specified. (EDC Section 89707 et. al.)
- 3) Authorizes the Trustees of the CSU, on the basis of demonstrated financial need and scholastic achievement, to waive entirely, or reduce below the rate, or the minimum rate, the tuition fee of a nonresident student who is a citizen and resident of a foreign country, who is either an undergraduate student of exceptional scholastic ability and prior scholastic achievement who is enrolled in a course of study of at least 10 semester units, or who is a graduate student of exceptional scholastic ability and prior scholastic achievement who is employed 20 or more hours per week by a state university or is enrolled in a course of study of at least 10 semester or quarter units.(EDC Section 89707 et. al.)
- 4) Authorizes the transfer of jurisdiction of real property owned by the state from one state agency to another state agency with the written approval of the Director of General Services. Where the state interest in real property is not under the control or in possession of any specified state agency, the Department of General Services may act as the transferring agency. (Government Code Section 14673 et. al)

FISCAL EFFECT: Pursuant to Senate Rule 28.8, any additional state costs are not significant and do not and will not require the appropriation of additional state funds, and the bill will cause no significant reduction in revenues.

COMMENTS: *Non-controversial amendments.* This bill is the annual higher education omnibus clean-up bill and proposes technical, non-controversial amendments to existing law. By tradition, if any affected agency, the Department of Finance, or any of the four legislative caucuses objects to a provision in the bill or one that is being considered, that particular provision cannot be included.

Rationale for inclusion in the omnibus bill. This bill makes several changes, below is the rationale for why each change is included.

Veterans. A recently enacted federal law will impact the way colleges and universities determine eligibility for a non-resident tuition fee waiver for veterans. Under current state and federal law, a student who is eligible for federal GI Bill benefits and meets one of following three requirements cannot be charged nonresident tuition fees:

- 1) A veteran who begins course within three years of being discharged from active duty.
- 2) A dependent whose parent or spouse that transferred GI Bill benefits to them is still on active duty.
- 3) A dependent who begins courses within three years of the parent or spouse that transferred GI Bill benefits to them being discharged from active duty.

The changes in federal law remove the three year requirement for 1) and 3) above. Amendments are needed to update the corresponding state statute to conform to federal requirements adopted

on January 5, 2021, thereby continuing to allow federal GI benefits to be used at CSU or at a CCC. This bill makes those changes.

Exchange. The bill changes provisions related to international exchange student program at CSU. Current law does not allow for some forms of exchange and in other areas is not consistent with federal visa regulations or usual practice. This bill eliminates the restriction on the ability of the CSU to waive the tuition fees of international exchange students who are dual citizens so that they may participate in CSU exchange programs under the same condition as other international exchange students.

Full-time enrollment. The bill changes provisions related to degree seeking international students at the CSU. It eliminates a reference to a specific number of units for enrollment in two statutory provisions that authorizes the CSU to waive or reduce tuition fees for international students on the basis of demonstrated financial need and scholastic achievement. Specifically, EDC Sections 89706 and 89707 require that an international student be enrolled in a course of study of no less than 10 units. This number does not correspond to other definitions of full-time study either at a campus or in federal visa regulations. This bill requires full-time enrollment (typically 12 semester units) without defining a specific number of units.

Transfer of state property. According to the Department of General Services, as an unintended consequence of a law designed to free the CSU from statutory requirements that apply to other state agencies, there is now a lack of clarity as to whether the CSU is eligible to have state property transferred to it. The Budget Act of 2019 provided San Jose State University (SJSU) with funds for a planning study on such state property. SJSU developed a preliminary proposal that included affordable housing units, which was reviewed by the Department of General Services and the Department of Housing and Community Development.

SJSU is currently conducting studies of the existing conditions at the site, which are estimated to be completed in mid-2021. Should SJSU come forward with a fully developed proposal, the Department of General Services would like to clarify its authority to transfer jurisdiction on this and other future requests. This bill clarifies that the general process by which property is transferred between state agencies is applicable to the CSU system. This clarification would facilitate the transfer of excess state real property to the CSU without impairing the CSU's independence from the Department of General Services.

REGISTERED SUPPORT / OPPOSITION:

Support

California State University, Office of The Chancellor
Department of General Services

Opposition

None on file

Analysis Prepared by: Kevin J. Powers / HIGHER ED. / (916) 319-3960