

Date of Hearing: April 11, 2023

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 1745 (Soria) – As Introduced February 17, 2023

SUBJECT: Public postsecondary education: veterans: waiver of mandatory systemwide tuition and fees

SUMMARY: Makes modifications to programs and definitions that serve veterans and their dependents. Specifically, **this bill**:

- 1) Requires that the annual income of the 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 not exceed the state poverty level, as defined, if that child's tuition and fees are not being charged, as specified.
- 2) Defines "state poverty level" as the annual household income that is less than the amount calculated for a single person with no dependents pursuant to Revenue and Tax Code, as specified.
- 3) Makes various technical and non-substantive changes.

EXISTING LAW:

Federal law.

- 1) 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 University of California (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, California State University (CSU), and California Community Colleges (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 shall be 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 national poverty level. (EDC Section 66025.3, et seq.)
- 6) 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 burdens and sacrifices made by members of the military have long consequences, sometimes across generations. The spouses and children of military members also experience professional and educational instability, further exacerbated if their military parent is killed or disabled through service. Because of this, federal and state governments offer educational and other benefits in an attempt to offset those conditions and aid veterans and their dependents in their transition to and success in civilian life. Among other benefits, California offers a college fee waiver benefit to veteran dependents attending a California public college or university. It is a generous benefit, but it is also complicated and sometimes contradictory, providing benefits to children and spouses in some cases, but not others. Under one category of eligibility, the dependent children of service-disabled veterans are subject to an income cap, defined as the federal poverty level. Under that definition, a prospective student working just 20 hours a week in the year before applying for the waiver would render themselves ineligible for the waiver. A better measure is one that reflects California’s economy, rather than ruling the children of disabled veterans out because of a national one-size-fits-all rule.”

Federal benefits. The U.S. Department of Veterans Affairs administers education benefits for dependents and survivors. There are two main programs offering educational assistance to survivors and dependents of Veterans. The Marine Gunnery Sergeant John David Fry Scholarship (Fry Scholarship) is for children and spouses of active duty servicemembers who died in the line of duty on or after September 11, 2001, or members of the Selected Reserve who died from a service-connected disability on or after September 11, 2001.

The Fry Scholarship can provide up to 36 months of benefits, including: money for tuition (full in-state tuition costs at public schools and up to \$26,381.37 per year for training at private or out-of-state schools), funding for housing, and funding for books and supplies.

The Survivors' and Dependents' Educational Assistance (DEA, also called Chapter 35) program offers education and training to qualified dependents of veterans who are permanently and totally disabled because of a service-related condition, or died while on active duty or as a result of a service-related condition. DEA recipients receive a monthly payment to help cover the cost of college or graduate degree programs, career training certificate courses, educational and career counseling, apprenticeships, and on-the-job training. The current rate of funding for DEA recipients is \$1,298 per month for 36 months.

College Fee Waiver for Veteran Dependents. The California Department of Veterans Affairs (CalVet) administers the College Fee Waiver for Veteran Dependents, which waives mandatory system-wide tuition and fees at any State of California Community College, California State University, or University of California campus. This program does not cover the expense of books, parking or room and board. 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.

State poverty level. This proposal replaces the national poverty level income cap metric for CalVet College Fee Waiver for Veteran Dependents, instead electing to use "state poverty level." This is defined in AB 1745 (Soria) as the annual household income that is less than the amount calculated for a single person with no dependents pursuant to the Revenue and Tax Code Section 18501. Using that metric, the student would have to have a gross income of less than \$20,913 according to the Franchise Tax Board website.

Using the example in the author's statement, an eligible student working 20 hours per week, at the state minimum wage of 15.50 per hour, would gross \$16,120 annually. This number exceeds that "national poverty" threshold in current law, which in 2022 was \$14,891. This same student would not exceed the new "state poverty level" definition proposed in this bill.

Prior legislation. AB 1606 (Ramos, 2022) made more expansive changes to the college fee waiver program, including a change to the income eligibility threshold that indexed it to "area median income." It died in the Assembly Committee on Appropriations.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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