

Date of Hearing: August 13, 2013

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS
Al Muratsuchi, Chair
SB 290 (Knight) – As Amended: May 28, 2013

SENATE VOTE: 39-0

SUBJECT: Nonresident tuition exemption: veterans

SUMMARY: [As proposed to be amended in committee] Extends a two year period for a former servicemember to use an exemption from paying non-resident tuition to students attending a California State University (CSU) and urges the University of California (UC) to adopt the same standard. Specifically, this bill:

Exempts a student attending CSU, and urges the UC to do this with its students, from paying nonresident tuition if:

- 1) That student was a member of the Armed Forces of the United States stationed in this state on active duty for more than one year immediately prior to being discharged, and
- 2) If he/she files an affidavit with the institution at which he/she is enrolled or intends to enroll, stating that he/she intends to establish residency in California as soon as possible, and
- 3) If the student uses this exemption within two years of being discharged.

EXISTING LAW: Requires a student who was a member of the Armed Forces stationed in California on active duty for more than one year immediately prior to being discharged to be exempt from paying nonresident tuition for the length of time he/she lives in the state, up to the minimum time necessary to become a resident. In addition, existing law provides, for purposes of community college fees, a former member of the Armed Forces may utilize the one-year nonresident fee exemption within two years of being discharged provided the former member of the Armed Forces has filed an affidavit with the community college stating his/her intention to establish residency in California as soon as possible.

Existing law establishes uniform residency requirements for purposes of ascertaining the amount of fees to be paid by students at the UC, CSU, CCC, and establishes various exceptions to these residency requirements, including the following:

- 1) A member of the Armed Forces who is stationed in the state on active duty, except a member assigned for educational purposes.
- 2) A member of the Armed Forces who is transferred to another state but continuously enrolled at a college in California.
- 3) A student who is a dependent of a member of the Armed Forces stationed in this state on active duty.
- 4) A student dependent of a member of the Armed Forces may keep his/her resident classification until he/she has resided in the state for the minimum time necessary to become a resident in the event the member of the Armed Forces upon whom they are dependent is transferred outside of the state or retires as an active member of the Armed Forces.

FISCAL EFFECT: According to the Senate Appropriations Committee, the cost of the nonresident tuition exemption to the UC and CSU depends upon the number of veterans that meet the narrow requirements to qualify for the exemption.

Each affected veteran enrolling as an undergraduate in the CSU would be eligible to pay \$5,472 per year, instead of \$5,472 + \$372 per unit (which would be an additional \$11,160 per year for two 15-unit course load semesters). Each affected veteran enrolling as an undergraduate in the UC would be eligible to pay \$12,192 instead of \$35,070, a difference of \$22,878.

The number of veterans who will be eligible to benefit from this bill is not known, but it likely to be very small (although, the number may increase with this additional benefit). The CSU has indicated it currently serves approximately 350 nonresident veterans. If even 10% of them meet the other eligibility criteria in this bill to qualify for in-state tuition under this bill, and were full-time students, revenue loss to the CSU would be nearly \$400,000.

COMMENTS: SB 290 extends the nonresident tuition exemption provided to a narrow subset of veterans enrolling in CCCs to that same demographic seeking to enroll in the CSU or UC. As such, it broadens the educational choices for veterans who were not living in California prior to discharge seeking to use their GI Bill benefits (which only pay resident tuition amounts.)

Proposed Author's Amendments: The author proposes to amend the bill to reflect the constitutional autonomy of the UC system as noted below and rather than mandating the policy changes at that segment, to urge that the UC adopt the changes.

This bill exempts veterans formerly stationed in California, who intend to reside in the state, from paying nonresident tuition at CSU and urges the same at UC. The number of veterans who will be eligible to benefit from this bill is not known, but it likely to be very small (although, the number may increase with this additional benefit). The CSU has indicated it currently serves approximately 350 nonresident veterans. It is hard to say how large the number of veterans who will take advantage of this new might be. Anecdotal evidence suggests that the vast majority of student veterans enter the higher education system at the Community College level, not necessarily because of cost, but because most are re-entering education after having been serving in the military for some time.

According to the author: Currently veterans who have served at least 90 days on active duty are eligible to receive a Government Issued Bill (or GI Bill) to help pay for their college education. These federal dollars pay up to 100% of in-state tuition costs, in addition to providing a housing allowance and a book allowance to the veteran. However, many veterans who were stationed at bases in California ... have not had the opportunity to establish residency.

According to the Assembly Higher Education Committee:

UC Constitutional autonomy. The California Constitution (Section 9 of Article IX) establishes UC as a public trust and confers the full powers of the UC upon the UC Regents. The Constitution establishes that the UC is subject to legislative control only to the degree necessary to ensure the security of its funds and compliance with the terms of its endowments. Judicial decisions have held that there are three additional areas in

which there may be limited legislative intrusion into university operations: authority over the appropriation of state moneys; exercise of the general police power to provide for the public health, safety and welfare; and, legislation on matters of general statewide concern not involving internal university affairs. UC retains authority to establish residency and tuition policies for veterans, including the authority to choose to adopt the provisions of this legislation; however, UC policies have traditionally mirrored state policies in this arena.

CSU relevant information. While CSU has not taken a position on this bill, the committee did receive a letter from CSU regarding this bill. Specifically, CSU notes that there are three state-mandated tuition waiver programs in place; CSU indicates that the tuition fee revenue forgone by the CSU for these existing programs was more than \$30.5 million in 2012-13. CSU requests that "a specific appropriation be added to the program proposed by this bill."

Related legislation: AB 13 (Chávez) provides the exemption contained in this bill to members of the Armed Forces discharged or released within the immediately prior year but does not require that the individual have been stationed in California immediately prior to being discharged. This bill was approved by a vote of 13-0 by the Higher Education Committee and by a vote of 10-0 in this committee and is currently pending in the Senate Appropriations Committee. Committee staff recommends authors address chaptering out issues prior to the two bills moving to the Governor.

REGISTERED SUPPORT / OPPOSITION:

Support

American Legion-Department of California
AMVETS-Department of California
California State Commanders Veterans Council
Community College League of California
Veterans Caucus, California Democratic Party
VFW-Department of California
Vietnam Veterans of America-California State Council

Opposition

None on File.

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