
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: SB 25 **Hearing Date:** April 26, 2017
Author: Portantino
Version: March 30, 2017
Urgency: Yes **Fiscal:** Yes
Consultant: Olgalilia Ramirez

Subject: Public postsecondary education: nonresident tuition exemption

SUMMARY

This bill, an urgency measure, modifies eligibility requirements for the exemption from paying nonresident tuition for students who meet the requirements to qualify for education benefits under either the federal Montgomery GI bill or Post 9/11 GI bill program, to align with federal law.

BACKGROUND

Existing law, effective for academic terms beginning after July 1, 2015, exempts specified California nonresidents from paying nonresident tuition at the California State University (CSU), and the California Community Colleges (CCC) if they meet all of the following:

- a) Reside in California.
- b) Meet the definition of "covered individual," as defined under United States Code Title 38, federal statute.
- c) Eligible for education benefits under either the federal Montgomery GI Bill or Post 9/11 GI Bill program.
- d) Remains continuously enrolled at a CSU or CCC campus. (Education code section 68075.7)

ANALYSIS

This bill, an urgency measure, modifies eligibility requirements for the exemption from paying nonresident tuition for students who meet the requirements to qualify for education benefits under either the federal Montgomery GI bill or Post 9/11 GI bill program, to align with federal law. Specifically, it:

- 1) Commencing July 1, 2017, modifies the meaning of "covered individual," under federal law, as specified, to align with federal law.
- 2) Delete provisions that require a dependent to enroll within three years of the service member's death.

- 3) Requires a California Community College (CCC) or California State University (CSU) student, as an eligibility requirement for the nonresident tuition exemption to be eligible for education benefits under the federal Montgomery GI bill or Post 9/11 GI bill program as each read on January 1, 2017 rather than as each read on January 1, 2015.
- 4) Makes the bill an urgency measure In order to ensure that eligible students and their institutions will not lose federal education funding.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, in 2015, SB 81 (Chapter 22, statutes of 2015), added education code section 68075.7 to comply with the federal Veterans Access, Choice and Accountability Act (VACA) of 2014. VACA required states to charge instate tuition to all eligible veterans and their dependents. Institutions not in compliance with these provisions are ineligible to receive GI bill funding, a financial loss to California of approximately \$68 million. Recently, Congress modified VACA and as a result of these new changes California is no longer in compliance with federal law, jeopardizing the state's GI bill funding. This bill seeks to bring California in compliance with federal law to ensure that U.S. military veterans and their dependents who are enrolled at a CSU or CCC remain eligible to receive federal education benefits.
- 2) ***Who is eligible?*** According the California Department of Veterans Affairs, as of March 2017 the total number of Title 38 beneficiaries, veterans and their dependents, utilizing benefits are as follows, 2,292 at the University of California, 6,120 at the CSU and 40,198 at the CCC. These numbers also represent the number of students that could be impacted, should the California institutions fall out of compliance with new federal mandated requirements.

These veterans have access to education benefit programs (Title 38) through the federal government. Most commonly, the federal GI Bill programs (Montgomery GI Bill and 911/GI Bill) provides active duty veterans who served for 90 days or more on active duty a monthly tax-free benefit to be used for tuition, books, fees, and living expenses while earning an undergraduate or graduate degree, or attending trade school. Eligible dependents of service members (i.e. children and spouses) may also qualify for a scholarship, known as the Marine Gunnery Sergeant John David Fry Scholarship, which provides Post-9/11 GI Bill benefits to the children and surviving spouses of service members who died in the line of duty while on active duty after September 10, 2001. It is this universe of individuals who are eligible for the exemption from nonresident tuition at California's public postsecondary intuitions as mandated by federal law (i.e VACA) and as codified in state statute.

- 3) ***Recent changes to federal VACA.*** The new changes enacted by congress make several modifications to VACA. For individuals using the Marine Gunnery Sergeant John David Fry Scholarship the changes remove provisions that require a dependent to enroll within three years of the service member's death and no longer require that as a condition of dependents eligibility, their service member must have served a minimum 90 days of active-duty before death.

Additionally, some service members may transfer unused GI Bill benefits to their dependents while on active duty. The changes also incorporate this category of federal education benefit recipients as covered individuals under the new VACA standards. This bill aims to ensure that California remains in compliance with federal law and continues to qualify for Title 38 program funding.

SUPPORT

American Legion-Department of California
AMVETS Department of California
California Association of County Veterans Service Officers
California Community College Chancellor's Office (CCCCO)
California Council of Chapters
California State University
Military Officers Association of America
Vietnam Veterans of American-California State Council

OPPOSITION

None received

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