
SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair
2015 - 2016 Regular

Bill No: SB 605
Author: Gaines
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Urgency: No
Consultant: Kathleen Chavira
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Fiscal: Yes

Subject: Community colleges: exemption from non-resident tuition fee: Lake Tahoe Community College District

SUMMARY

This bill, until July 1, 2022;

1. Exempts up to 200 students in any academic year from paying non-resident tuition fees if they attend the Lake Tahoe Community College (LTCC) and reside in specified communities in the State of Nevada, and
2. Permits the LTCC to count these persons as resident full-time equivalent students (FTES) for purposes of determining California apportionment funding.

The bill makes these provisions contingent upon a determination by the Chancellor of the California Community Colleges that the State of Nevada has enacted a statute providing reasonably conforming reciprocal rights to California residents attending Nevada colleges.

BACKGROUND

Current law authorizes a community college district (CCD) to admit non-resident students and requires that these students be charged a tuition fee that is twice the amount of the fee established for in-state resident students, with certain specified exemptions. State statute prescribes a formula for the calculation of the non-resident fee. Beginning July 1, 2013, state law requires the non-resident tuition fee be increased to a level that is three times the amount of the fee established for in-state resident students.

Current law prohibits non-resident students from being reported as FTES for state apportionment purposes, except where (1) the CCD has less than 1500 FTES and is within 10 miles of another state and has a reciprocity agreement with that state, or (2) if a CCD has between 1501 and 3000 FTES and is within 10 miles of another state and has a reciprocity agreement with that state, they can claim up to 100 FTES for state apportionment purposes. (Education Code § 76140)

Existing law authorizes the Board of Governors of the CCC to enter into an interstate attendance agreement with any statewide public agency of another state that is responsible for public institutions of postsecondary education providing the first two

years of college instruction, and that is an agency of a state that is a member of Western Interstate Commission for Higher Education (WICHE). (Education Code § 66801)

ANALYSIS

This bill exempts persons residing in specified communities in the State of Nevada from paying non-resident tuition fees if they attend the Lake Tahoe Community College (LTCC). More specifically, it:

1. Exempts up to 200 students in any academic year who attend Lake Tahoe Community College (LTCC) from being charged non-resident student tuition fees if they reside in one of the following communities in Nevada:
 - A. Incline Village.
 - B. Kingsbury.
 - C. Round Hill.
 - D. Skyland.
 - E. Stateline.
 - F. Zephyr Cove.
2. Deems a student to have residence in one of the communities listed above if they lived in that community for more than one year immediately prior to seeking the fee exemption.
3. Requires the LTCC to adopt rules and regulations for determining a student's residence classification and for establishing procedures to appeal and review this determination.
4. Authorizes the LTCC to report the non-resident students who are exempt from paying non-resident fees pursuant to the bill's provisions as resident full-time equivalent students (FTES) for state apportionment purposes.
5. Sunsets these provisions on July 1, 2022.

STAFF COMMENTS

1. ***Need for the bill.*** According to the author, this bill is intended to respond to the concerns raised regarding similar legislation (introduced in prior sessions) to ensure that Nevada students residing in close proximity to California can attend California community colleges without being compelled to pay non-resident tuition. This bill, unlike the prior bill, establishes a 6 year pilot program, limits its provisions to Lake Tahoe Community College and specified Nevada communities, caps the total number of students that may be exempted from non-

resident tuition, and makes the pilot program contingent upon California residents being provided reciprocal rights by the State of Nevada.

2. ***Fee changes effective July 1, 2013.*** According to the Senate Budget Committee, as part of the 2012 Budget Act, the State changed the level of non-resident fees to \$138 per unit (three times the amount of California resident student fee of \$46 per unit). By establishing neighboring state student fees at a multiple of the current California resident student fee, the new fee would allow neighboring student fees to adjust in concert with any future adjustments to resident student fees. The Budget Committee indicated this fee level would be approximately midway between Oregon, Nevada, and Arizona resident student fees, that range in the mid-\$70 per unit, and California non-resident student fees, that range around \$200 per unit.

As of March 2013, the State Chancellor's office reported that statewide there were 11,300 unfunded full-time equivalent students (FTES), students that attended a California Community College (CCC), but where the state did not provide funding. The Lake Tahoe Community College reported zero unfunded FTES. Generally, CCCs in declining enrollment enjoy a one-year funding grace period from the decline and, after that; the unused FTES is redistributed within the community college system.

3. ***Reciprocity, a mutual exchange of interests, no longer exists with Nevada.*** According to the Legislative Analyst Office, in August 2011, the State of Nevada terminated the "Good Neighbor" tuition agreement that allowed California students from designated counties to attend Nevada colleges at significantly reduced non-resident tuition rates. Under this agreement, Nevada students were also able to enroll in the California Community Colleges (specifically, Lassen, Feather River, Lake Tahoe, Palo Verde, Siskiyou and Barstow) without having to pay full non-resident tuition.

Effective, November 2011, California students enrolling for the first time in Nevada colleges were charged the full non-resident tuition and all the California Community Colleges were required to charge non-resident tuition for Nevada residents enrolling for the first time in California, effectively ending the ability of the California Community Colleges (CCC) to provide exemptions for Nevada students. From 1992 through 2011, California and Nevada had a "Good Neighbor" agreement (reciprocity) in place.

Reciprocity agreements, allow the flow of tangible economic and educational benefits to citizens of both states. The absence of a "good neighbor" or reciprocity agreement would shift the total burden of paying for these benefits to California residents.

4. ***Related Nevada activity.*** In March 2015, the Nevada legislature introduced SB 414 (Setelmayer) which *encourages* the Regents of the University of Nevada to authorize waivers of non-resident tuition to certain residents of the Lake Tahoe Basin. Notwithstanding the proposed legislation, the setting of fees and tuition, including general policies, is under the jurisdiction of the Nevada Higher Education System (NHES) Board of Regents in Nevada. According to the

Chancellor of the NHES Board of Regents, in March 2014 the Board adopted a policy that authorizes an individual campus to bring forth a tuition discount program if it chooses. Title 4, Chapter 17, Section 13 establishes the following policy regarding tuition or registration fee discounts:

Nevada Higher Education System (NHES) institutions may bring forward for Board approval tuition and/or registration fee discounts. Proposals for such discounts must be accompanied by documentation justifying the discount based on the goals of the institution and any related market considerations, including the ability to compete with other non-NSHE institutions. Institutions may be required to report periodically on approved tuition or registration fee discounts upon request of the Chancellor or the Board.

5. **Misplaced authority.** This bill makes the pilot program contingent upon a determination by the Chancellor's office that the State of Nevada has enacted statute providing reciprocal rights to California residents attending Nevada colleges. Current law authorizes the Board of Governors (BOG) to enter into interstate attendance agreements and, consistent with this authority, the BOG entered into an agreement with the State of Oregon acting by and through the State Board of Higher Education, on behalf of the Oregon University System. According to the author, it is the intent of this bill to establish authority, on a pilot basis for an interstate attendance agreement between Lake Tahoe Community College and Western Nevada College.

Staff recommends the bill be amended in Section 5 to make the bill's provisions contingent upon the Board of Governors having entered into an interstate attendance agreement with the Nevada System of Higher Education, prior to July 1, 2021 and consistent with the requirements of 66801(a), that provides reciprocal rights to California residents attending Western Nevada College that reasonably conform to the benefits conferred upon Nevada residents by Section 1 of this act.

SUPPORT

Heavenly Lake Tahoe
 Lake Tahoe Community College District
 Lake Tahoe Regional Fire Chiefs Association
 Lake Tahoe South Shore Chamber of Commerce
 Meeks Bay Fire Protection District

OPPOSITION

None received.

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