

AMENDED IN ASSEMBLY AUGUST 17, 2010

AMENDED IN ASSEMBLY JUNE 28, 2010

AMENDED IN SENATE JUNE 1, 2010

AMENDED IN SENATE APRIL 28, 2010

SENATE BILL

No. 969

**Introduced by Senators Liu and Romero
(Principal coauthor: Senator Price)
(Coauthor: Senator Hancock)**

February 5, 2010

An act to add Article 3.5 (commencing with Section 66027) to Chapter 2 of Part 40 of Division 5 of Title 3 of the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 969, as amended, Liu. Public postsecondary education: student fee policy.

Existing law, known as the Donahoe Higher Education Act, provides for a public postsecondary education system in this state. This system consists of the University of California, the California State University, and the California Community Colleges. Existing law authorizes these institutions to require that mandatory systemwide fees, among other fees, be paid by students at these institutions. The provisions of the Donahoe Higher Education Act apply to the University of California only to the extent that the Regents of the University of California act by resolution to make them applicable.

~~This bill would express the intent of the Legislature to limit mandatory systemwide fees that are charged to resident undergraduate students enrolled in the University of California and the California State~~

University to a specified amount, based on the average total cost of education, as defined, that students paid in the first semester of the 2010–11 academic year in the respective segments. The bill would prohibit the trustees and the regents from increasing those mandatory systemwide fees by an amount exceeding a specified percentage of those fees charged to students for the immediately preceding academic year only in an academic year for which the annual Budget Act has provided the University of California and the California State University with specified resources.

The

~~This bill would prohibit a specified any increase in the mandatory systemwide fee increase fees charged to a resident undergraduate student enrolled in the University of California or the California State University adopted on or after July 1, 2011, from being effective before 6 3 months have elapsed after the date on which the fee increase is adopted, except in an academic year in which state appropriations have not been authorized in the annual Budget Act by September 30, in which case increases in the mandatory systemwide fees charged would not become effective before 90 days have elapsed after the date on which the fee increase is adopted.~~ The bill would also require the regents and the trustees *Trustees of the California State University* to develop methodologies for the adjustment of fees in accordance with a prescribed procedure. The bill, commencing with the 2011–12 academic year, would require the Legislative Analyst’s Office to annually review, and report to the Legislature, its findings, conclusions, or recommendations regarding the implementation of policies implemented pursuant to the bill.

This bill would provide that its provisions would not apply to the University of California, except to the extent that the ~~Regents of the University of California~~ *regents* adopt a resolution making them applicable. The bill would request the regents to adopt policies that are consistent with this bill.

These provisions would become operative on July 1, 2011.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:

1 (a) The state has long recognized the value of providing broad
2 access to postsecondary education to the state’s citizens. It has
3 demonstrated that commitment by investing in postsecondary
4 education and maintaining public student fee levels that are fiscally
5 responsible and affordable. The student fee principles expressed
6 herein seek to continue the state’s historic commitment to ensuring
7 access and maintaining quality throughout the state’s public
8 universities while recognizing the fiscal challenges that confront
9 both the state and postsecondary education.

10 (b) Historically, the state has borne the preponderance of
11 responsibility for providing the fiscal resources necessary to ensure
12 that all eligible state residents have access to high-quality
13 educational opportunities at the state’s public colleges and
14 universities. Further, the state bears the principal and overarching
15 responsibility for ensuring that all financially needy students have
16 the financial assistance necessary for them to enroll in institutions
17 of higher education and complete their postsecondary education
18 objectives.

19 (c) Changes in resident student fees or in student financial aid
20 funding or packaging policies should take into consideration the
21 total cost to the student of attending the university, including
22 mandatory campus-based student fees, housing and living expenses,
23 as well as all other expenses associated with university attendance.

24 (d) Any necessary increases in mandatory systemwide fees
25 should be accompanied by appropriate increases in funding for
26 need-based student financial aid.

27 SEC. 2. Article 3.5 (commencing with Section 66027) is added
28 to Chapter 2 of Part 40 of Division 5 of Title 3 of the Education
29 Code, to read:

30
31 Article 3.5. Student Fee Policy

32
33 66027. The following state policies regarding mandatory
34 systemwide resident fees and financial aid are established for
35 undergraduate students enrolled in the state’s public universities:

36 (a) The total cost of a public postsecondary education should
37 be a shared responsibility of students, families, and the State of
38 California. However, in order to keep resident undergraduate
39 student fees at the state’s public universities as low and affordable

1 as possible, the state shall bear the preponderance of responsibility
2 for funding postsecondary education.

3 (b) So that students and their families can better prepare
4 financially for college expenses, any changes in resident student
5 fees should be gradual, moderate, and predictable. Any potential
6 adjustments in resident student fees should take into consideration,
7 and be balanced with, available state General Fund revenues to
8 ensure that the access, quality, and affordability of the state's public
9 universities are not adversely affected.

10 (c) Changes in resident student fees should take into
11 consideration a number of factors, including the total cost of
12 educating a student, the appropriate share of the cost of instruction
13 to be paid by the student, and information concerning families'
14 ability to pay. Student financial aid policy and programs should
15 ensure affordability for students from all income levels.
16 Recognition of these indicators will better ensure that changes in
17 resident student fees are gradual and moderate.

18 (d) As changes in resident student fees and financial aid
19 resources are considered, the state should have an understanding
20 of the impact that these changes will have on both current and
21 prospective students. Efforts should be employed to mitigate any
22 negative impact on financially needy students.

23 ~~(e) To the extent that budget decisions are made in a timely
24 manner, adequate advance notice should be provided to students
25 regarding future student fees, thereby allowing them and their
26 families greater time to prepare for the fees to be assessed.~~

27 ~~(f)~~

28 (e) In order to ensure that access is not precluded for any eligible
29 student, but particularly financially needy students, all current and
30 prospective students should be provided with timely information
31 concerning student financial aid, including the processes associated
32 with applying for and obtaining student financial assistance.

33 ~~(g)~~

34 (f) Student fee and financial aid policies should encourage and
35 promote a student's timely completion of the requirements
36 necessary for degree attainment.

37 ~~(h)~~

38 (g) To ensure that financially needy students are provided with
39 assistance in managing the total cost of their university attendance,
40 financial aid programs, including institutional aid, should be

1 aligned with the distinct financial needs of the systems' student
2 populations and student fee levels.

3 (i)

4 (h) Revenues derived from student fees should remain within
5 the respective university system's budget in order to provide
6 benefits to the students enrolled within the system.

7 ~~66027.1. (a) It is the intent of the Legislature that, for the~~
8 ~~University of California and the California State University, the~~
9 ~~mandatory systemwide fees charged to resident undergraduate~~
10 ~~students for any academic year not exceed the percentage of~~
11 ~~average total cost of education that students paid in the first~~
12 ~~semester of the 2010-11 academic year.~~

13 ~~(b) This section shall not be construed to require the trustees or~~
14 ~~the regents to reduce the mandatory systemwide fees charged to~~
15 ~~resident undergraduate students below the level that existed for~~
16 ~~the 2010-11 academic year.~~

17 ~~66027.2. (a) In any academic year, the trustees and the regents~~
18 ~~shall not increase the mandatory systemwide fees charged to~~
19 ~~resident undergraduate students enrolled in the respective~~
20 ~~institutions by an amount exceeding the percentage change in the~~
21 ~~state per capita personal income in the prior fiscal year. It is the~~
22 ~~intent of the Legislature that the total amount of mandatory~~
23 ~~systemwide fees, as increased, not exceed the limits described in~~
24 ~~Section 66027.1.~~

25 ~~(b) If the percentage change in the state per capita personal~~
26 ~~income as determined pursuant to subdivision (a) is negative, the~~
27 ~~change in per capita personal income for purposes of increasing~~
28 ~~fees shall be deemed to be zero.~~

29 ~~(c) This section shall only be operative in an academic year for~~
30 ~~which the annual Budget Act has provided the University of~~
31 ~~California and the California State University with sufficient~~
32 ~~resources to fund the cost-of-living adjustments and enrollment~~
33 ~~growth funded at the marginal cost of instruction as adjusted~~
34 ~~annually.~~

35 ~~66027.3. (a)~~

36 ~~66027.1.~~ Any increase in the mandatory systemwide fees
37 charged to a resident undergraduate student enrolled in the
38 University of California or the California State University that is
39 adopted on or after July 1, 2011, shall not become effective before

1 six *three* months have elapsed after the date on which the fee
2 increase is adopted.

3 ~~(b) In any academic year in which state appropriations have not~~
4 ~~been authorized in the annual Budget Act by September 30,~~
5 ~~subdivision (a) shall not be operative. In those academic years, no~~
6 ~~increase in the mandatory systemwide fees charged shall become~~
7 ~~effective before 90 days have elapsed after the date on which the~~
8 ~~fee increase is adopted.~~

9 66027.4.

10 66027.2. To carry out the responsibilities of this section, the
11 regents and the trustees shall each develop a rational and
12 transparent methodology for adjusting mandatory systemwide
13 resident student fees consistent with the student fee policy
14 principles set forth in Section 66027. These methodologies shall
15 be developed in consultation with appropriate student
16 representatives through student fee advisory committees and, once
17 developed, shall be formally adopted by the regents and the
18 trustees, respectively, in open public meetings. The annual budgets
19 of the segments shall be drafted on the basis that fees will change
20 in accordance with the methodology established under this section,
21 and shall specify the purposes for which any revenues derived
22 from an increase in fees will be used.

23 66027.5.

24 66027.3. Following the final action of its governing body, each
25 system shall employ appropriate procedures to notify students of
26 the student fees to be assessed in the upcoming academic year. In
27 addition, each system shall simultaneously provide students with
28 information concerning the availability of student financial aid
29 and the procedures for obtaining that aid in order to assist students
30 with meeting the increased costs of university attendance.

31 66027.6.

32 66027.4. (a) Commencing with the 2011–12 academic year,
33 the regents and the trustees shall annually provide the Legislative
34 Analyst’s Office, prior to February 1, with estimates of the total
35 cost of education, categorized ~~specifically by per student~~
36 ~~undergraduate and graduate education costs.~~ *in both of the*
37 *following ways:*

38 (1) *Specifically by per student undergraduate and graduate*
39 *education costs.*

1 (2) *By fixed costs, variable costs, administrative costs,*
2 *instructional costs, and student services costs.*

3 (b) Commencing with the 2012–13 academic year, the
4 Legislative Analyst’s Office shall annually review, prior to March
5 1, institutional compliance with the policies set forth in this article,
6 and report, in writing, to the Legislature findings, conclusions, or
7 recommendations regarding the implementation of these policies.
8 This report shall include an assessment of the information provided
9 by the regents and the trustees pursuant to subdivision (a).

10 (c) A report submitted pursuant to subdivision (b) shall be
11 submitted in compliance with Section 9795 of the Government
12 Code.

13 ~~66027.7.~~

14 66027.5. As used in this article, the following terms have the
15 following meanings:

16 (a) (1) “Average total cost of education” means the amount
17 calculated by dividing the total cost of education for the University
18 of California or the California State University, whichever is
19 applicable, by the total number of full-time equivalent students
20 enrolled at that segment.

21 (2) For purposes of paragraph (1), “total cost of education”
22 means, for the University of California and the California State
23 University, the sum of appropriations and projected revenues from
24 all of the following:

25 (A) The General Fund.

26 (B) Higher education fees and income.

27 (C) The California State Lottery Education Fund.

28 (b) “Mandatory systemwide fees” means the fees that all
29 students enrolled in the California State University or the
30 University of California are required to pay in order to enroll in
31 courses for the academic term pursuant to any law or any policy
32 adopted by the governing boards of the respective segments.

33 (c) “Regents” means the Regents of the University of California.

34 (d) “Resident” means a student who is exempt from paying
35 nonresident tuition pursuant to Chapter 1 (commencing with
36 Section 68000) of Part 41.

37 ~~(e) “State per capita personal income” means calendar fourth~~
38 ~~quarter California personal income for the prior fiscal year, as~~
39 ~~estimated by the Bureau of Economic Analysis of the United States~~
40 ~~Department of Commerce, divided by the California civilian~~

1 population, as estimated by the Department of Finance pursuant
2 to subdivision (d) of Section 13308 of the Government Code.

3 (f)

4 (e) "Trustees" means the Trustees of the California State
5 University.

6 ~~66027.8.~~

7 66027.6. (a) This article shall not apply to the University of
8 California, except to the extent that the regents, by appropriate
9 resolution, make this article applicable.

10 (b) The regents are requested to adopt policies governing
11 increases in mandatory systemwide fees that are consistent with
12 this article.

13 ~~66027.9.~~

14 66027.7. This article shall become operative on July 1, 2011.