

ASSEMBLY BILL

No. 1370

Introduced by Assembly Member Medina

February 27, 2015

An act to amend Sections 68051 and 68052 of, and to add Sections 68052.1 and 68052.2 to, the Education Code, relating to public postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 1370, as introduced, Medina. Public postsecondary education: student residency.

Existing law expresses the intent of the Legislature that the University of California and the California State University establish nonresident student tuition policies that are consistent with their resident student fee policies. Existing law provides that nonresident student tuition shall be determined by each of these public postsecondary segments through the adoption of a methodology that annually establishes the nonresident student tuition rate. These provisions are applicable to the University of California only if the Regents of the University of California act, by resolution, to make them applicable.

Existing law expresses the intent of the Legislature that the California Postsecondary Education Commission annually review specified data with respect to making comparisons between the California postsecondary educational segments and the postsecondary educational systems of 7 specified major industrial states. The commission has not been funded in recent fiscal years.

This bill would delete the expression of legislative intent relating to the establishment of nonresident student tuition policies at the University of California and the California State University that are consistent with

resident student fee policies. The bill would instead require that nonresident student tuition be determined by each of these segments through the adoption of a methodology that annually establishes the nonresident student tuition at each campus of the segment.

The bill would require that under no circumstances shall the level of nonresident tuition plus required student fees charged by a campus fall below the total nonresident charges imposed by each of their comparison institutions, as identified by the California Postsecondary Education Commission or a successor agency. The bill would also require that an unspecified percentage of the revenues generated from nonresident enrollment be directed to financial aid programs for resident students.

The bill would prohibit the number of nonresident students enrolled at any campus of the University of California from exceeding 10% of total student enrollment. The bill would further prohibit any campus of the University of California at which nonresident enrollment exceeds 10% of total student enrollment as of the operative date of the bill from increasing the enrollment of nonresident students from the amount of those students enrolled at that campus on that date. The bill would require the University of California to annually publish a report including specified data about the revenues generated by nonresident student enrollment, and to provide for equitable distribution of those revenues among the campuses.

The bill would declare that, notwithstanding the existing provision that would make this bill applicable to the University of California only upon the action of the regents, a campus of the University of California would not be deemed to be authorized by the State of California for purposes of its students receiving federal financial aid unless the campus is in compliance with this bill.

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. Section 68051 of the Education Code is amended
- 2 to read:
- 3 68051. ~~Unless otherwise provided by law, In accordance with~~
- 4 *Section 68052*, the governing board or district governing board
- 5 ~~shall adopt rules and regulations relating to the method of~~
- 6 ~~calculation of~~ *calculate* the amount of nonresident tuition, the
- 7 method of payment, and the method and amount of refund.

SEC. 2. Section 68052 of the Education Code is amended to read:

68052. (a) ~~It is the intent of the Legislature that California's public institutions of higher education shall establish nonresident student tuition policies that are consistent with their resident student fee policies. Nonresident student tuition shall be determined by each of the public postsecondary segments through the adoption of a methodology that annually establishes the nonresident student tuition rate. It is further the intent of the Legislature that, while the public institutions are to be provided flexibility in establishing their nonresident tuition, under no circumstances shall the level of nonresident tuition plus required fees fall below the marginal cost of instruction for that segment.~~ *rate at each campus of that segment.*

(b) The following state policies regarding nonresident student tuition are hereby established:

(1) Unless otherwise prescribed by statute, an admission fee and rate of tuition *for each campus*, fixed by each public postsecondary governing board, shall be required of each nonresident student. Each public postsecondary education governing body shall develop its own methodology for establishing the nonresident tuition level and its annual adjustment level of nonresident student tuition *at each campus*, unless otherwise prescribed by statute.

(2) As California's public postsecondary education segments annually adjust the level of nonresident tuition they charge out-of-state students, the nonresident tuition methodologies they develop and use ~~should take into consideration, at minimum, the following two factors:~~ *shall be based, at a minimum, on the total nonresident charges imposed by each of their comparison institutions, as identified by the California Postsecondary Education Commission or a successor agency.*

~~(A) For the University of California and the California State University, the total nonresident charges imposed by each of their public comparison institutions, as identified by the California Postsecondary Education Commission.~~

~~(B) The full average cost of instruction of their segment.~~

(3) ~~It is the intent of the Legislature that under~~ *Under* no circumstances shall ~~an institution's~~ *the* level of nonresident tuition plus required student fees *charged by a campus* fall below the

~~marginal cost of instruction for that segment. total nonresident charges imposed by its comparison institutions, as identified by the California Postsecondary Education Commission or a successor agency.~~

(4) The University of California, the California State University, the Hastings College of the Law, and the California Maritime Academy should endeavor to ensure that increases in the level of nonresident tuition are ~~gradual, moderate, and predictable~~ by providing nonresident students with ~~a minimum of a 10-month~~ *an appropriate* notice of tuition increases.

(5) ~~— percent of the revenues generated from nonresident enrollment shall be directed to financial aid programs for resident students.~~

(c) No provision of this section shall be applicable to the California Community Colleges.

~~(d) In the event that state revenues and expenditures are substantially imbalanced due to factors unforeseen by the Governor and the Legislature, including, but not limited to, initiative measures, natural disasters, or sudden deviations from expected economic trends, the nonresident student tuition at the University of California, the California State University, the Hastings College of the Law, and the California Maritime Academy, shall not be subject to this section.~~

SEC. 3. Section 68052.1 is added to the Education Code, to read:

68052.1. (a) The number of nonresident students enrolled at any campus of the University of California shall not exceed 10 percent of total student enrollment. Any campus of the University of California at which nonresident enrollment exceeds 10 percent of total student enrollment as of the operative date of the act that adds this section is prohibited from increasing the enrollment of nonresident students from the amount of those students enrolled at that campus on that date.

(b) The University of California shall establish a revenue sharing agreement pursuant to which revenues generated by nonresident student enrollment are distributed equitably to each campus of the university.

(c) The University of California shall annually publish a report, including, but not necessarily limited to, all of the following information:

1 (1) The amount of revenues generated by nonresident enrollment
2 at each campus.

3 (2) The method by which these revenues were distributed among
4 the various campuses of the university.

5 (3) For each campus, the purposes for which these revenues
6 were expended.

7 SEC. 4. Section 68052.2 is added to the Education Code, to
8 read:

9 68052.2. Notwithstanding Section 68134, a campus of the
10 University of California shall not be deemed to be authorized by
11 the State of California for purposes of Title IV of the federal Higher
12 Education Act unless the campus is in compliance with this article.

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