

AMENDED IN ASSEMBLY APRIL 22, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1370

**Introduced by Assembly ~~Member Medina~~ *Members Medina and
Beth Gaines***

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 amended, 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.~~ *marginal cost of instruction for that campus.* The bill would also require that ~~an unspecified percentage not less than 50% of the revenues~~ *revenues, in excess of the marginal cost of instruction,* generated from *undergraduate* nonresident enrollment be directed to ~~financial aid programs for fund increased enrollment for undergraduate~~ *undergraduate* resident students.

The bill would prohibit the number of *undergraduate* nonresident students enrolled at any campus of the University of California from exceeding 10% of total *undergraduate* student enrollment. The bill would further prohibit, *from March 1, 2016, to July 1, 2021, inclusive,* any campus of the University of California at which *undergraduate* nonresident enrollment exceeds 10% of total *undergraduate* student enrollment as of ~~the operative date of the bill~~ *March 1, 2016,* from increasing the enrollment of *undergraduate* nonresident students from ~~the amount~~ *percentage* of those students enrolled at that campus ~~on that date.~~ *March 1, 2016.* The bill would require the University of California to annually publish a report including specified data about the revenues generated by *undergraduate* nonresident student enrollment, and to provide for equitable distribution of those revenues among the campuses.

~~The bill would declare that,~~

This bill, notwithstanding the existing provision that would make this bill applicable to the University of California only upon the action of the regents, and notwithstanding any other law, would prohibit the regents from allocating any state funds appropriated to the University of California in the annual Budget Act or another statute to 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:

SECTION 1. Section 68051 of the Education Code is amended to read:

68051. In accordance with Section 68052, the governing board or district governing board shall calculate the amount of nonresident tuition, the method of payment, and the method and amount of refund.

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

68052. (a) 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 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 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. *use shall take into consideration both of the following factors:*

(A) *For each campus of the University of California and the California State University, the total nonresident charges imposed by each of their comparison institutions, as identified by the California Postsecondary Education Commission or a successor agency.*

1 (B) *The full average cost of instruction for that segment.*

2 (3) Under no circumstances shall the level of nonresident tuition
3 plus required student fees charged by a campus fall below ~~the total~~
4 ~~nonresident charges imposed by its comparison institutions, as~~
5 ~~identified by the California Postsecondary Education Commission~~
6 ~~or a successor agency.~~ *the marginal cost of instruction for that*
7 *campus.*

8 (4) The University of California, the California State University,
9 the Hastings College of the Law, and the California Maritime
10 Academy should endeavor to ensure that increases in the level of
11 nonresident tuition are predictable by providing nonresident
12 students with an appropriate notice of tuition increases.

13 (5) ~~—percent of the revenues generated from~~ *An amount not*
14 *less than 50 percent of the revenues in excess of the marginal cost*
15 *of instruction, generated from undergraduate nonresident*
16 *enrollment, shall be directed to financial aid programs for fund*
17 *increased enrollment of undergraduate resident students.*

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

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

22 68052.1. (a) ~~The~~ *(1) Except as provided in paragraph (2),*
23 *the number of undergraduate nonresident students enrolled at any*
24 *campus of the University of California shall not exceed 10 percent*
25 *of total undergraduate student enrollment.* ~~Any~~

26 (2) *From March 1, 2016, to July 1, 2021, inclusive, any campus*
27 *of the University of California at which undergraduate nonresident*
28 *enrollment exceeds 10 percent of total student enrollment as of*
29 ~~the operative date of the act that adds this section~~ *March 1, 2016,*
30 *is prohibited from increasing the enrollment of undergraduate*
31 *nonresident students from the amount percentage of those students*
32 *enrolled at that campus on that date.* ~~March 1, 2016.~~

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

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

1 (1) *The undergraduate nonresident tuition and fee level*
2 *established at each campus.*

3 ~~(1)~~

4 (2) The amount of revenues generated by *undergraduate*
5 nonresident enrollment at each campus.

6 ~~(2)~~

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

9 ~~(3)~~

10 (4) For each campus, the purposes for which these revenues
11 ~~were expended.~~ *expended, including, but not limited to, the number*
12 *of California resident undergraduate students admitted pursuant*
13 *to paragraph (5) of subdivision (b) of Section 68052.*

14 SEC. 4. Section 68052.2 is added to the Education Code, to
15 read:

16 68052.2. Notwithstanding ~~Section 68134,~~ *68134 or any other*
17 *law, the Regents of the University of California shall not allocate*
18 *any state funds appropriated to the University of California in the*
19 *annual Budget Act or another statute to a campus of the University*
20 *of California shall not be deemed to be authorized by the State of*
21 ~~California for purposes of Title IV of the federal Higher Education~~
22 ~~Act unless the campus is in compliance with this article.~~