

The Regents of the University of California

**COMMITTEE ON EDUCATIONAL POLICY
COMMITTEE ON FINANCE**

November 15, 2001

The Committees on Educational Policy and Finance met jointly on the above date at UCSF–Laurel Heights, San Francisco.

Members present: Representing the Committee on Educational Policy: Regents Atkinson, Bagley, Connerly, Davies, T. Davis, Hertzberg, O. Johnson, S. Johnson, Lozano, Marcus, Montoya, and Sayles; Advisory members Ligot-Gordon and Terrazas
Representing the Committee on Finance: Regents Atkinson, Connerly, Hertzberg, Hopkinson, S. Johnson, Kozberg, Lee, Montoya, Moores, Morrison, and Preuss; Advisory member Ligot-Gordon

In attendance: Regent Seymour, Faculty Representative Viswanathan, Secretary Trivette, General Counsel Holst, Provost King, Senior Vice Presidents Darling and Mullinix, Chancellors Dynes, Greenwood, Tomlinson-Keasey, and Vanderhoef, and Recording Secretary Bryan

The meeting convened at 2:44 p.m. with Committee on Finance Chair Preuss presiding.

SERVICE OF NOTICE FOR JANUARY 2002 ACTION REGARDING AMENDMENT OF STANDING ORDER 110.2 – MATTERS RELATED TO RESIDENCY: PROPOSAL TO ESTABLISH NEW POLICY ON TUITION EXEMPTIONS TO CONFORM TO AB 540

The President recommended that following service of appropriate notice, the Committee on Finance recommend that The Regents consider at the January 2002 meeting the amendment of Standing Order 110.2–Matters Relating to Residency, as follows:

additions shown by shading

Standing Order 110.2–Matters Relating to Residency

- (a) The residence of each student shall be determined in accordance with the rules governing residence prescribed by the provisions of Sections 68000, 68010-68012, 68014-68018, 68022-68023, 68040-68044, but excluding the words “classified as a nonresident seeking reclassification” from Paragraph 1 and substituting the words “seeking classification” and excluding Paragraph 3 of Section 68044, 68050, 68060-68061, 68062 but excluding the words “including an unmarried minor alien” from 68062(h), 68070-68080, 68083, 68130, and 68132-68134 of the Education Code of the State of California. Each nonresident student at the University of California shall pay a

nonresident tuition fee for each term of attendance at the University, except that such fee, with the approval of the President of the University, may be remitted or waived in whole or in part in the case of any student who qualifies as a graduate student with a distinguished record, a foreign student, a teaching assistant or teaching fellow, or a research assistant; or in the case of a nonresident student who is an unmarried dependent son or daughter under age twenty-one, or a spouse of a member of the University faculty who is a member of the Academic Senate. A student who is a child of a resident law enforcement officer or fire fighter killed on active duty shall be exempted from nonresident tuition and fees in accordance with Section 68120 of the Education Code of the State of California. A student who is the child or dependent of a deceased or disabled veteran, or who is the dependent of or the surviving spouse who has not remarried of any member of the California National Guard who was killed or permanently disabled while in active service of the state, shall not be exempted from nonresident tuition fees, but may be exempted from tuition and incidental fees in accordance with Section 32320 of the Education Code of the State of California. **A student meeting the requirements of Section 68130.5 of the Education Code of the State of California shall also be exempt from paying nonresident tuition.** For purposes of defining financial independence pursuant to Section 68044, a student shall be considered "financially independent" if the applicant: a) is at least 24 years of age by December 31 of the year the applicant requests residence classification; b) is a veteran of the U.S. Armed Forces; c) is a ward of the court or both parents are dead; d) has legal dependents other than a spouse; e) is married, or a graduate student or professional student, and will not be claimed as an income tax deduction by his or her parents or any other individual for the tax year immediately preceding the request for residence classification; or is a single undergraduate student, and was not claimed as an income tax deduction by his or her parents or any other individual for the two years student is considered self-sufficient if he or she had total income and other resources of at least \$4,000. The two years used to demonstrate self-sufficiency are the two years immediately preceding the request for residence classification.

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This change is subject to implementation of the amendment being deferred until the President, with the concurrence of the Chairman of the Board, the Chair of the Committee on Finance, and the Chair of the Committee on Educational Policy, determine, based on advice of the General Counsel, that potential financial exposure has been eliminated or reduced to an acceptable level.

It was recalled that Assembly Bill 540 (Firebaugh, Chapter 814, Statutes of 2001), which was adopted by the Legislature and signed into law by the Governor on October 12, 2001, adds Section 68130.5 to the California Education Code. The new law, which becomes effective January 1, 2002, and applies to the California State

University and the California Community Colleges, provides an exemption from nonresident tuition for students who meet the criteria outlined below. The provisions of Education Code Section 68130.5 do not apply to the University of California unless adopted by The Regents; however, it has been The Regents' position to maintain policies for charging nonresident tuition and providing exemptions that are consistent with State policies that apply to the California Community Colleges and the California State University. In accord with this policy, The Regents has implemented tuition exemptions for specific groups of students. These include the following:

- A child of a resident law enforcement officer or fire fighter killed on active duty.
- A member of the military on active duty in California or his or her dependent.
- A Native American graduate of a California school operated by the federal Bureau of Indian Affairs.
- An amateur athlete in training at the Olympic training facility in Chula Vista.

Because of the potential for financial exposure resulting from the terms of the federal Illegal Immigration Reform and Immigrant Responsibility Act of 1996, The Regents is being asked to approve the amendment to the Standing Orders, thereby supporting the intent of Assembly Bill 540, subject to satisfactory resolution of the legal issues involved.

Section 68130.5 of the California Education Code provides that a student, other than a nonimmigrant alien as defined by federal law, who meets all of the following requirements is exempt from paying nonresident tuition at the California State University and the California Community Colleges:

- High school attendance in California for three or more years.
- Graduation from a California high school or attainment of the equivalent thereof.
- Registration as an entering student at, or current enrollment at, an accredited institution of higher education in California not earlier than the fall semester or quarter of the 2001–02 academic year.
- In the case of a person without lawful immigration status, the filing of an affidavit with the institution of higher education stating that the student has filed an application to legalize his or her immigration status, or will file an application as soon as he or she is eligible to do so.

If The Regents votes favorably on this amendment to the Standing Orders, there will be a period of time, which could be lengthy, between that vote and the final determination by the President, the Chairman of the Board, the Chair of the Committee on Finance, and the Chair of the Committee on Educational Policy that the potential financial exposure has been eliminated or reduced to an acceptable level. The President is developing options to assist affected students during this period, including one in which The Regents would be asked to authorize an interim loan program that would be in effect during this period or until otherwise terminated by The Regents. This loan program would cover the cost of nonresident tuition for those students who meet the requirements of Education Code Section 68130.5 and would provide that the loans will be forgiven in the event that this amendment becomes effective; the President will bring such a program to the Board in January 2002.

The number of eligible students enrolled at UC is estimated to be small, approximately 50 to 140 students annually. For 2002-03, the proposed nonresident tuition fee is \$11,132; if the tuition exemption is implemented, the annual cost for the estimated number of students would be approximately \$0.5 million to \$1.5 million in 2002-03.

[For speakers' comments, refer to the minutes of the November 15 afternoon session of the Committee of the Whole.]

Upon motion duly made and seconded, the Committee on Finance approved the President's recommendation and voted to present it to the Board.

The meeting adjourned at 2:45 p.m.

Attest:

Secretary