

Office of the General Counsel

TO MEMBERS OF THE COMMITTEE ON EDUCATIONAL POLICY (AND OF INTEREST TO THE COMMITTEE ON FINANCE)

ACTION ITEM

For Meeting of November 19, 2014

AMENDMENT OF REGENTS POLICY 3202: POLICY ON ADMINISTRATION OF FINANCIAL AID FUNDS

RECOMMENDATION

The General Counsel recommends that the Committee on Educational Policy recommend to the Regents that Regents Policy 3202: Policy on Administration of Financial Aid Funds be amended as shown in Attachment 1.

BACKGROUND

This item proposes to amend Regents Policy 3202: Policy on Administration of Financial Aid Funds consistent with current University practice. Chapter 814, Stats. 2001 (AB 540), codified at California Education Code Section 68130.5 as amended, provides an exemption from paying nonresident tuition for students who meet certain criteria. Regents Policy 3106.1.C adopted this exemption. In *Martinez v. Regents of the University of California* (2010), the California Supreme Court rejected claims that the inclusion of undocumented immigrants in this exemption was inconsistent with federal law.

Since enacting AB 540, the Legislature has reaffirmed the State of California's commitment to students who qualify under Section 68130.5 (hereinafter "AB 540 students") by enacting laws that extend financial aid to those students. Chapter 754, Stats. 2014 (SB 1210) – newly enacted on September 28, 2014 and codified at California Education Code sections 70030 et seq. – authorizes the California DREAM Loan Program, which would provide student loans to AB 540 students at the University of California and the California State University who meet certain additional requirements. Implementing SB 1210 would entail establishing certain regulations and procedures for the administration of the program, as well as committing discretionary funds from time to time which, in conjunction with matching funds appropriated by the State, would support a revolving fund that finances the loans. The California DREAM Loan Program would first be effective at UC for the 2015-16 academic year, assuming that the State and UC commit funding to cover their respective shares of the program's costs.

In addition, Chapter 93, Stats. 2011 (AB 130) and Chapter 604, Stats. 2011 (AB 131) (codified in various sections of the California Education Code) address other forms of financial aid.

AB 130 provides that AB 540 students are eligible for scholarships derived from non-State funds received for the purpose of scholarships (such as privately endowed scholarships). AB 131 provides that AB 540 students are eligible for all student aid programs administered by the State of California and requests that the same policy be followed for student aid programs administered by the University. Since AB 130 and AB 131 became effective in 2012 and 2013, respectively, officers of the University, acting under authority delegated by the Regents, have acted consistently with the policy expressed in those laws, and the Regents have approved University budgets that were prepared in view of the costs necessary to extend aid administered by the University.

Amending Regents Policy 3202 as set forth in Attachment 1 would serve two related purposes. First, the proposed amendment would harmonize the Regents' policies regarding the tuition status and financial aid eligibility of AB 540 students. In particular, the amended policy is consistent with SB 1210, AB 131, and AB 130 with regard to financial aid, just as Regents Policy 3106.1.C is consistent with AB 540 with regard to exemption from nonresident tuition.

Second, as a matter of policy, direct action by the Regents is warranted in light of the importance of financial aid for AB 540 students. The extension of financial aid programs to such students is a natural outgrowth of the Regents' existing policy on financial aid. In particular, the action proposed here would further the "basic value of the University of California . . . that the University should serve a diverse student body" and reflect an appropriate response to the "concern that financial considerations not be an insurmountable obstacle to student decisions to seek and complete a University degree." Regents Policy 3201: University of California Financial Aid Policy.

(Attachment below)

Additions shown by underscoring; deletions shown by strikethrough

REGENTS POLICY 3202

POLICY ON ADMINISTRATION OF FINANCIAL AID FUNDS

1. It is the policy of the University of California to administer its financial aid funds in such a manner that no student will be denied the benefits of student aid on the basis of race, color, national origin, religion, or sex.

2. The University of California shall extend financial aid to any student exempt from paying nonresident tuition under California Education Code Section 68130.5 and Regents Policy 3106: Policy on Waiver of Tuition and Fees, Section 1.C, as set forth below and subject to applicable regulations and procedures.

A. Under any student aid program administered by the University of California, subject to the conditions and limitations on such program that would apply to a student otherwise exempt from paying nonresident tuition: as provided in California Education Code Section 66021.6 or California Education Code Section 66021.7.

B. Under the California DREAM Loan Program: as provided in California Education Code Sections 70030-70039, if the University is a “participating institution” as provided therein.

3. The University of California shall establish and implement, or continue in operation, regulations, procedures, and forms respecting financial aid for students exempt from paying nonresident tuition under California Education Code Section 68130.5 and Regents Policy 3106.1.C, as set forth below.

A. With respect to student aid programs administered by the University of California: as provided in California Education Code Section 66021.6.

B. With respect to student financial aid programs administered by the State of California: as provided in California Education Code Section 69508.5.

C. With respect to scholarships derived from non-state funds, received by the University for the purpose of scholarships: as provided in California Education Code Section 66021.7.

D. With respect to the California DREAM Loan Program: as provided in California Education Code Sections 70034, 70036, and 70037.

4. This policy does not limit the eligibility of a student exempt from paying nonresident tuition under California Education Code Section 68130.5 for financial aid under programs not described in this policy.