

Date of Hearing: June 29, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

SB 1141 (Limón) – As Introduced February 16, 2022

Policy Committee: Higher Education

Vote: 9 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

SUMMARY:

This bill modifies current residency eligibility for tuition purposes for nonresident students, regardless of citizenship status, by requiring two years, instead of three years, of full-time attendance and attainment of credits at a California school or a California Community College (CCC) or at a combination of such schools. Specifically, the bill requires CCCs and California State Universities (CSUs), and requests the University of California UC), to charge in-state tuition to students who have attended either two years of (a) a California school or a CCC or (b) a California elementary or secondary school.

FISCAL EFFECT:

- 1) Unknown, ongoing General Fund costs, potentially in the millions of dollars annually, to UC.

The number of students who would be newly eligible for resident tuition as a result of this bill at UC is unknown. However, if 400 domestic nonresident students enrolled at a UC who under current law would be charged nonresident supplemental tuition, costs would be about \$12 million each year. In addition, UC provides financial aid to low-income resident students through its UC Grant program. To the extent students newly eligible for resident tuition are low-income, the UC may provide financial aid to these students, potentially resulting in additional General Fund costs to the UC.

- 2) Unknown, ongoing General Fund costs, potentially in the millions of dollar annually, to CSU.

The number of students who would be newly eligible for resident tuition as a result of this bill at CSU is unknown. However, if 500 domestic nonresident enrolled at a CSU who under current law would be charged nonresident supplemental tuition, costs would be about \$6 million each year.

- 3) Unknown, ongoing Proposition 98 General Fund costs, potentially millions of dollars annually, to CCC.

The number of students who would be newly eligible for resident tuition as a result of this bill at CCC is unknown. However, if 600 domestic nonresident students enrolled at a CCC who under current law would be charged nonresident supplemental tuition, costs would be about \$4 million each year. In addition, CCC provides financial aid to low-income resident students through its California Promise Grant program. To the extent students newly eligible

for resident tuition are low-income, the CCC would provide financial aid to these students, potentially resulting in additional Proposition 98 General Fund costs in the high hundreds of thousands annually.

The state would need to reimburse these costs to CCC, if the Commission on State Mandates determines the bill's requirement to be a reimbursable state mandate.

- 4) Unknown, ongoing General Fund costs to the California Student Aid Commission (CSAC), potentially in the hundreds of thousands to millions of dollars annually, to provide Cal Grant financial aid to students, to the extent students newly eligible for resident tuition are low-income and qualify for a Cal Grant financial aid entitlement award.

The Cal Grant covers tuition costs for qualifying low-income resident students. Therefore, costs would depend not only on the number of students newly eligible for the award, but also tuition costs at the type of institution they attend.

COMMENTS:

- 1) **Purpose.** According to the bill's sponsor, the CCC Chancellor's Office:

[This bill] would expand college attainment opportunities for more undocumented students. Over the last two decades, California has ushered in historic policies that have enabled eligible undocumented students to attend college and afford tuition, but existing law still keeps many students from accessing the benefits that these policies intended to provide. SB 1141 aims to rectify this wrong.

- 2) **Background.** The difference between paying resident tuition at UC, CSU or CCC, and paying nonresident tuition at one of these educational segments is significant. Currently, nonresident students at UC pay about \$30,000 in additional systemwide tuition and fees annually. CSU nonresident students pay about \$12,000 more each year in tuition than do resident students. CCC nonresident students pay about \$7,000 more each year in tuition.

SB 68 (Lara), Chapter 496, Statutes of 2017, made various changes to residency for in-state tuition purposes. One change was requiring three years of full-time attendance and attainment of credits at a California school or CCC or at a combination of such schools to gain resident tuition, regardless of citizenship status. This bill modifies this requirement to two years.

- 3) **Prior Legislation.** AB 1620 (Santiago), of the 2019-20 Legislative Session, was nearly identical to this bill. The bill was held on this committee's suspense file.

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