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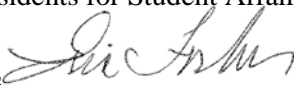
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MEMORANDUM

Coded: AA-2011-28

Date: December 7, 2011

To: CSU Provosts/Vice Presidents for Academic Affairs
CSU Vice Presidents for Student Affairs

From: Eric G. Forbes 
Assistant Vice Chancellor

Subject: Updates to California Residency Exception Reporting Process

Assembly Bill 130 approved by the Governor and filed with the Secretary of State on July 25, 2011 amended Section 68130.7 of and added Section 66021.7 to, the Education Code, relating to student financial aid. This section provides that students who are exempt from paying nonresident tuition under the provision described in current state statute are eligible to receive scholarships derived from non-state funds received, for the purpose of scholarships, by the segment at which he or she is a student. This requirement becomes effective January 1, 2012.

Assembly Bill 131 approved by the Governor and filed with the Secretary of State on October 8, 2011, amended Section 68130.7 of and added Sections 66021.6, 69508.5, and 76300.5 to, the Education Code, relating to student financial aid. This section provides that students, who are exempt from paying nonresident tuition under current state statute, are eligible to apply for, and participate in, any student financial aid program administered by the California State University and the State of California to the full extent permitted by federal law. This requirement becomes effective January 1, 2013.

Copies of the acts modifying and adding to the California Education Code are attached for your reference.

Campuses must continue to follow all existing laws and policies governing determination of California residency and residency exemptions. To support the implementation of these amendments and additions to California Education Code, CSU campuses must implement a standardized process to record residency exemptions for those students who might qualify for scholarships derived from non-state funds or student financial aid programs administered by the State of California.

By January 1, 2012, campuses must begin utilizing a unique residency exception value to identify students who are exempt from paying nonresident tuition under California Education Code Section 68130.5. This value must be discernable for the processing of financial aid programs administered by the CSU and must also be disaggregated from other residency exemptions for reporting through the Enrollment Reporting System (ERS). Applicants for admission as well as continuing students who have

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previously been designated exempt from paying nonresident tuition under California Education Code Section 68130.5 should have student records updated to reflect this new value. Reporting of this data within ERS should commence with winter 2012 quarters and spring 2012 semesters.

To facilitate this process, campuses utilizing the Common Management System (CMS) must add a new value to the Residency Exception Table. The new value "D" with a description of "CA HS Graduate Ed Code 68130.5" and a short description of "CA HS Grad" should be added to ensure consistency in reporting. This new value should be mapped to the CSU Residency Exemption Code of "D" which will be added as a valid value for ERS reporting. Campuses not utilizing CMS must make comparable changes to their student information system in order to comply with these recording and reporting changes.

It is anticipated that a future coded memorandum will address financial aid processes to support these changes to California Education Code. Questions concerning the matter addressed above may be referred to Nathan Evans, Director of Enrollment Management Services at nevans@calstate.edu / (562) 951-4726. Questions regarding financial aid policy and processes may be referred to Dean Kulju, Director of Student Financial Aid Services and Programs at dkulju@calstate.edu / (562) 951-4737.

EGF:nse

Attachments

c: Dr. Charles B. Reed, Chancellor
Dr. Ephraim Smith, Executive Vice Chancellor and Chief Academic Officer
Dr. Ron Vogel, Associate Vice Chancellor, Academic Affairs
Mr. Nathan Evans, Director of Enrollment Management Services
Mr. Dean Kulju, Director of Student Financial Aid Services and Programs
Directors of Admissions and Records
Directors of Financial Aid and Scholarships
Directors of Institutional Research
State University Registrars

Assembly Bill No. 130

CHAPTER 93

An act to amend Section 68130.7 of, and to add Section 66021.7 to, the Education Code, relating to student financial aid.

[Approved by Governor July 25, 2011. Filed with
Secretary of State July 25, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 130, Cedillo. Student financial aid: eligibility: California Dream Act of 2011.

Existing law requires that a person, other than a nonimmigrant alien, as defined, who has attended high school in California for 3 or more years, who has graduated from a California high school or attained the equivalent thereof, who has registered at or attends an accredited institution of higher education in California not earlier than the fall semester or quarter of the 2001–02 academic year, and who, if he or she is an alien without lawful immigration status, has filed a prescribed affidavit, is exempt from paying nonresident tuition at the California Community Colleges and the California State University.

This bill would enact the California Dream Act of 2011.

This bill would provide that, on and after January 1, 2012, a student attending the California State University, the California Community Colleges, or the University of California who is exempt from paying nonresident tuition under the provision described above would be eligible to receive a scholarship derived from nonstate funds received, for the purpose of scholarships, by the segment at which he or she is a student.

The Donahoe Higher Education Act sets forth, among other things, the missions and functions of California's public and independent segments of higher education, and their respective institutions of higher education. Provisions of the act apply to the University of California only to the extent that the Regents of the University of California, by appropriate resolution, act to make a provision applicable.

This bill would find and declare that the amendments to the Donahoe Higher Education Act described above are state laws within the meaning of a specified federal provision.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known, and may be cited, as the California Dream Act of 2011.

SEC. 2. (a) The Legislature finds and declares all of the following:

(1) It is the intent of the Legislature that all students who are exempt from nonresident tuition pursuant to Section 68130.5 of the Education Code and that are deemed to be in financial need shall be eligible for all financial aid.

(2) Increased access to financial aid for all students in California's universities and colleges increases the state's collective productivity and economic growth.

(b) It is, therefore, the intent of the Legislature to address these issues by enacting the California Dream Act of 2011.

SEC. 3. Section 66021.7 is added to the Education Code, to read:

66021.7. Notwithstanding any other law, on and after January 1, 2012, a student attending the California State University, the California Community Colleges, or the University of California who is exempt from paying nonresident tuition under Section 68130.5 shall be eligible to receive a scholarship that is derived from nonstate funds received, for the purpose of scholarships, by the segment at which he or she is a student. The Legislature finds and declares that this section is a state law within the meaning of subsection (d) of Section 1621 of Title 8 of the United States Code.

SEC. 4. Section 68130.7 of the Education Code is amended to read:

68130.7. If a state court finds that Section 66021.7 or 68130.5, or any similar provision adopted by the Regents of the University of California, is unlawful, the court may order, as equitable relief, that the administering entity that is the subject of the lawsuit terminate any waiver awarded under that statute or provision, but no money damages, tuition refund or waiver, or other retroactive relief, may be awarded. In any action in which the court finds that Section 66021.7 or 68130.5, or any similar provision adopted by the Regents of the University of California, is unlawful, the California Community Colleges, the California State University, and the University of California are immune from the imposition of any award of money damages, tuition refund or waiver, or other retroactive relief.

Assembly Bill No. 131

CHAPTER 604

An act to amend Section 68130.7 of, and to add Sections 66021.6, 69508.5, and 76300.5 to, the Education Code, relating to student financial aid.

[Approved by Governor October 8, 2011. Filed with
Secretary of State October 8, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 131, Cedillo. Student financial aid.

(1) The Donahoe Higher Education Act sets forth, among other things, the missions and functions of California's public and independent segments of higher education, and their respective institutions of higher education. Provisions of the act apply to the University of California only to the extent that the Regents of the University of California, by appropriate resolution, act to make a provision applicable.

Existing law requires that a student, other than a nonimmigrant alien, as defined, who has attended high school in California for 3 or more years, who has graduated from a California high school or attained the equivalent thereof, who has registered at or attends an accredited institution of higher education in California not earlier than the fall semester or quarter of the 2001-02 academic year, and who, if he or she is an alien without lawful immigration status, has filed a prescribed affidavit is exempt from paying nonresident tuition at the California Community Colleges and the California State University.

This bill would amend the Donahoe Higher Education Act, as of January 1, 2013, to require the Trustees of the California State University and the Board of Governors of the California Community Colleges, and to request the regents, to establish procedures and forms that enable students who are exempt from paying nonresident tuition under the above-described provision, or who meet equivalent requirements adopted by the regents, to apply for, and participate in, all student aid programs administered by these segments to the full extent permitted by federal law, except as provided. This provision would apply to the University of California only if the regents, by appropriate resolution, act to make it applicable.

This bill would provide that students who are exempt from paying nonresident tuition under the above provision, or who meet equivalent requirements adopted by the regents, are eligible to apply for, and participate in, any student financial aid program administered by the State of California to the full extent permitted by federal law. This bill would require the Student Aid Commission to establish procedures and forms that enable those students who are exempt from paying nonresident tuition under the above provision

to apply for, and participate in, all student financial aid programs administered by the State of California to the full extent permitted by federal law. This bill would prohibit students who are exempt from paying nonresident tuition under the provision described above from being eligible for Competitive Cal Grant A and B Awards unless specified conditions are met. The bill would make these provisions operative as of January 1, 2013.

(2) Existing federal law requires that a state may provide that an alien who is not lawfully present in the United States is eligible for any state or local public benefit for which that alien would otherwise be ineligible under a specified federal law only through enactment of a state law that affirmatively provides for that eligibility.

This bill would find and declare that the amendments to the Donahoe Higher Education Act described above are state laws within the meaning of this federal provision.

(3) Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction, for prescribed fees, at community college campuses throughout the state. Existing law authorizes the waiver of these fees for, among others, students who are eligible under income standards established by the board of governors.

This bill, as of January 1, 2013, would require community college districts to waive the fees of students who are exempt from nonresident tuition under the provision described in (1) above, and who otherwise qualify for a waiver under this provision, under regulations and procedures adopted by the board of governors. Because the bill would impose new duties on community college districts with respect to determining eligibility for fee waivers, the bill would constitute a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. Section 66021.6 is added to the Education Code, to read: 66021.6. (a) Notwithstanding any other law, and except as provided for in subdivision (b), the Trustees of the California State University and the Board of Governors of the California Community Colleges shall, and the Regents of the University of California are requested to, establish procedures and forms that enable persons who are exempt from paying nonresident tuition under Section 68130.5, or who meet equivalent requirements adopted by the regents, to apply for, and participate in, all student aid programs

administered by these segments to the full extent permitted by federal law. The Legislature finds and declares that this section is a state law within the meaning of Section 1621(d) of Title 8 of the United States Code.

(b) The number of financial aid awards received by California resident students from financial aid programs administered by the segments shall not be diminished as a result of the application of subdivision (a). The University of California is requested to comply with this subdivision.

(c) This section shall become operative on January 1, 2013.

SEC. 2. Section 68130.7 of the Education Code is amended to read:

68130.7. If a state court finds that Section 66021.6, 66021.7, or 68130.5, or any similar provision adopted by the Regents of the University of California, is unlawful, the court may order, as equitable relief, that the administering entity that is the subject of the lawsuit terminate any waiver awarded under that statute or provision, but no money damages, tuition refund or waiver, or other retroactive relief, may be awarded. In any action in which the court finds that Section 66021.6, 66021.7, or 68130.5, or any similar provision adopted by the Regents of the University of California, is unlawful, the California Community Colleges, the California State University, and the University of California are immune from the imposition of any award of money damages, tuition refund or waiver, or other retroactive relief.

SEC. 3. Section 69508.5 is added to the Education Code, to read:

69508.5. (a) Notwithstanding any other law, and except as provided for in subdivision (c), a student who meets the requirements of subdivision (a) of Section 68130.5, or who meets equivalent requirements adopted by the Regents of the University of California, is eligible to apply for, and participate in, any student financial aid program administered by the State of California to the full extent permitted by federal law. The Legislature finds and declares that this section is a state law within the meaning of subsection (d) of Section 1621 of Title 8 of the United States Code.

(b) Notwithstanding any other law, the Student Aid Commission shall establish procedures and forms that enable students who are exempt from paying nonresident tuition under Section 68130.5, or who meet equivalent requirements adopted by the regents, to apply for, and participate in, all student financial aid programs administered by the State of California to the full extent permitted by federal law.

(c) A student who is exempt from paying nonresident tuition under Section 68130.5 shall not be eligible for Competitive Cal Grant A and B Awards unless funding remains available after all California students not exempt pursuant to Section 68130.5 have received Competitive Cal Grant A and B Awards that they are eligible for.

(d) This section shall become operative on January 1, 2013.

SEC. 4. Section 76300.5 is added to the Education Code, to read:

76300.5. (a) A district shall waive the fees of a student who is exempt from paying nonresident tuition under Section 68130.5, and who otherwise qualifies for a waiver under Section 76300, under regulations and procedures adopted by the board of governors. The Legislature finds and declares that

this section is a state law within the meaning of Section 1621(d) of Title 8 of the United States Code.

(b) This section shall become operative on January 1, 2013.

SEC. 5. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.