

**COMMISSION ON STATE MANDATES**

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July 14, 2011

Mr. Keith Petersen  
SixTen and Associates  
P.O. Box 340430  
Sacramento, CA 95834-0430

*And Affected State Agencies and Interested Parties (See Mailing List)*

**RE: Final Staff Analysis, Proposed Statewide Cost Estimate, and Hearing Date  
Tuition Fee Waivers; 02-TC-21**

Education Code Section 68044, et al.

Statutes 1977, Chapters 36 (AB 447); Statutes 1980, Chapters 580 (AB 2567);

Statutes 1981, Chapter 102 (AB 251); Statutes 1982, Chapter 1070 (AB 2627);

Statutes 1988, Chapter 753 (AB 3958); Statutes 1989, Chapters 424, 900, and 985

(AB 1237, AB 259, and SB 716); Statutes 1990, Chapter 1372 (SB 1854); Statutes 1991,

Chapter 455 (AB 1745); Statutes 1993, Chapter 8 (AB 46); Statutes 1995, Chapters 389

(AB 723); Statutes 1997, Chapter 438 (AB 1317); Statutes 1998, Chapter 952 (AB 639);

Statutes 2000, Chapters 571 and 949 (AB 1346 and AB 632); Statutes 2001, Chapter 814

(AB 540); and Statutes 2002, Chapter 450 (AB 1746)

California Code of Regulations, Title 5, Section 54002, et al.

Revised Guidelines and Information, "Exemption from Nonresident Tuition," Chancellor  
of the California Community Colleges (May 2002)

Contra Costa Community College District, Claimant

Dear Mr. Petersen:

The final staff analysis and proposed statewide cost estimate are enclosed.

**Hearing**

This matter is set for hearing on **Thursday, July 28, 2011** at 9:30 a.m. in Room 447, State Capitol, Sacramento, CA. This matter is proposed for the Consent Calendar. Please let us know in advance if you or a representative of your agency will testify at the hearing, and if other witnesses will appear. If you would like to request postponement of the hearing, please refer to section 1183.01(c)(2) of the Commission's regulations.

**Special Accommodations**

For any special accommodations such as a sign language interpreter, an assistive listening device, materials in an alternate format, or any other accommodations, please contact the Commission office at least five to seven *working* days prior to the hearing.

Please contact Kerry Ortman at (916) 327-8320 if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to be "Drew Bohan".

Drew Bohan  
Executive Director

**ITEM 11**  
**FINAL STAFF ANALYSIS**  
**PROPOSED STATEWIDE COST ESTIMATE**  
**\$6,179,742**

Education Code Sections 68044(a), (b), (c), 68051, 68074,  
68075.5, 68076(d), 68077, 68078(b), 68082, 68083, 68084, 68121, 68130.5, and 76140  
Statutes 1977, Chapter 36 (AB 447); Statutes 1980, Chapter 580 (AB 2567); Statutes 1981,  
Chapter 102 (AB 251); Statutes 1982, Chapter 1070 (AB 2627); Statutes 1988, Chapter 753  
(AB 3958); Statutes 1989, Chapters 424, 900, and 985 (AB 1237, AB 259, and SB 716);  
Statutes 1990, Chapter 1372 (SB 1854); Statutes 1991, Chapter 455 (AB 1745); Statutes 1993,  
Chapter 8 (AB 46); Statutes 1995, Chapter 389 (AB 723); Statutes 1997, Chapter 438  
(AB 1317); Statutes 1998, Chapter 952 (AB 639); Statutes 2000, Chapters 571 and 949  
(AB 1346 and AB 632); Statutes 2001, Chapter 814 (AB 540); and Statutes 2002,  
Chapter 450 (AB 1746)

California Code of Regulations, Title 5, Sections 54012(b), (c), (d), 54024(e), (f); 54030,  
54032(a); 54041, 54045(b), (c); 54045.5 (b); 54046, 54060(a), (b)

Register 77, No. 45 (Nov. 5, 1977); Register 82, No. 48 (Nov. 27, 1982); Register 83,  
No. 24 (Jun. 11, 1983) Register 86, No. 10 (Mar. 8, 1986); Register 91, No. 23  
(April 5, 1991); Register 92, No. 4 (Jan. 24, 1992); Register 95, No. 19 (May 19, 1995);  
Register 99, No. 20 (May 14, 1999); Register 02, No. 25 (Jun. 21, 2002)

Revised Guidelines and Information, "Exemption from Nonresident Tuition" Chancellor of  
the California Community Colleges, May 2002

*Tuition Fee Waivers*  
02-TC-21

Contra Costa Community College District, Claimant

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**STAFF ANALYSIS**

**Background and Summary of the Mandate**

The test claim statutes, regulations and executive order involve determining student residence status and nonresident student tuition fee charges or waivers at community colleges.

The claimant filed the test claim on May 23, 2003. The Commission on State Mandates (Commission) adopted a statement of decision on March 27, 2009, and parameters and guidelines on October 30, 2009.<sup>1</sup> The Commission found that the test claim statutes and executive orders impose a partially reimbursable state-mandated program upon community college districts within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514.

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<sup>1</sup> Exhibit A.

Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by May 11, 2010.

#### Eligible Claimants and Period of Reimbursement

Any "community college district" as defined in Government Code section 17519, which incurs increased costs as a result of this mandate, is eligible to claim reimbursement.

Government Code section 17557(e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The Contra Costa Community College District filed the test claim on May 23, 2003, establishing eligibility for reimbursement on or after July 1, 2001. The costs incurred for compliance with most of the mandated activities are reimbursable on or after July 1, 2001. However, portions of the Education Code, the registers, and the revised guidelines from the Chancellor's Office became effective on different dates after July 1, 2001, as described in the parameters and guidelines attached hereto as Exhibit A.

#### **Reimbursable Activities**

The Commission approved the following activities for reimbursement: adopting rules and regulations on the method of payment for nonresident tuition; determining residence classification; providing nonresident students with notice of nonresident tuition fee charges; determining exemptions from paying nonresident tuition; waiving mandatory fees for a student who is the surviving dependent of an individual killed in the September 11, 2001 attacks; and notifying students of residence classification decisions and appeal procedures. These activities are described more fully in the parameters and guidelines attached hereto as Exhibit A.

#### **Statewide Cost Estimate**

Staff reviewed the claims data submitted by 12 community college districts and compiled by the SCO. The actual claims data showed that 102 claims were filed between fiscal years 2001-2002 and 2009-2010 for a total of \$6,179,742.<sup>2</sup> Based on this data, staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program.

#### Assumptions

- *The actual amount claimed for reimbursement may increase and exceed the statewide cost estimate.*

There are 72 community college districts in California. Of those, only 12 filed reimbursement claims for this program between 2001 and 2009. However, other eligible claimants could file reimbursement claims, which could increase the cost of the program. Initial claims were due by May 11, 2010; late claims were due by May 11, 2011.

- *The total amount of reimbursement for this program may be lower than the statewide cost estimate because the SCO may reduce any reimbursement claim for this program. There is a wide variation in costs claimed for this program. Therefore, an SCO audit of this program may be warranted.*

Staff reviewed the claims data and found a wide variation in costs among claimants. The program requires districts to determine whether students are qualified for lower in-state tuition fees. Therefore, there appears to be a connection between the cost of the program

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<sup>2</sup> Claims data reported as of June 1, 2011.

and the size of the district's student population. Nevertheless, for fiscal year 2002-2003 Santa Clarita Community College, with a student population of 23,636, submitted claims for \$203,578. In contrast, Los Rios Community College District, with a student population of 115,864, submitted claims totaling \$5,189. Based on the wide variation in costs claimed, an SCO audit of the claims may be warranted to reduce any claims it deems to be excessive or unreasonable.

- *There may be several reasons that non-claiming community college districts did not file claims including, but not limited to:*
  - They did not incur more than \$1000 in increased costs for this program.
  - They did not have supporting documentation to file a reimbursement claim.

Methodology

*Fiscal Years 2000-2001 through 2009-2010*

The statewide cost estimate for fiscal years 2000-2001 through 2009-2010 was developed by totaling the 102 actual reimbursement claims filed with the SCO for these years.

The statewide cost estimate includes nine fiscal years for a total of \$6,179,742. This averages to \$686,638 annually in costs for the state for this nine year period. Following is a breakdown of estimated total costs per fiscal year:

| <b>Fiscal Year</b> | <b>Number of Claims Filed with SCO</b> | <b>Estimated Cost</b> |
|--------------------|--|-----------------------|
| 2001-2002          | 9                                      | \$475,140             |
| 2002-2003          | 11                                     | \$571,497             |
| 2003-2004          | 11                                     | \$629,328             |
| 2004-2005          | 11                                     | \$678,167             |
| 2005-2006          | 12                                     | \$771,160             |
| 2006-2007          | 12                                     | \$821,439             |
| 2007-2008          | 12                                     | \$827,080             |
| 2008-2009          | 12                                     | \$642,515             |
| 2009-2010          | 12                                     | \$763,416             |
| <b>TOTAL</b>       | <b>102</b>                             | <b>\$6,179,742</b>    |

**Comments on the Draft Staff Analysis and Proposed Statewide Cost Estimate**

Commission staff issued the draft staff analysis and proposed statewide cost estimate for comment on June 21, 2011.<sup>3</sup> No comments were submitted.

**Staff Recommendation**

Staff recommends the Commission adopt the proposed statewide cost estimate of **\$6,179,742** for costs incurred in complying with the *Tuition Fee Waivers* program.

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<sup>3</sup> Exhibit B.

## Commission on State Mandates

Original List Date: 6/3/2003  
Last Updated: 7/14/2011  
List Print Date: 07/14/2011  
Claim Number: 02-TC-21  
Issue: Tuition Fee Waivers

### Mailing List

#### TO ALL PARTIES AND INTERESTED PARTIES:

Each commission mailing list is continuously updated as requests are received to include or remove any party or person on the mailing list. A current mailing list is provided with commission correspondence, and a copy of the current mailing list is available upon request at any time. Except as provided otherwise by commission rule, when a party or interested party files any written material with the commission concerning a claim, it shall simultaneously serve a copy of the written material on the parties and interested parties to the claim identified on the mailing list provided by the commission. (Cal. Code Regs., tit. 2, § 1181.2.)

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