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July 31, 2013

The Honorable Kevin de León, Chair
Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

RE: AB 13 (Chávez), as amended June 24, 2013
Scheduled to be heard in the Senate Appropriations Committee on August 12, 2013
Position: CONCERN

Dear Senator de León:

I am writing to inform you that the University of California (UC) has concerns on AB 13 (Chávez), as amended on June 24, 2013. In particular, while we recognize the value of encouraging veterans to pursue their education at the University, we do have concerns about the fiscal issues that might arise if the bill were implemented. AB 13 would exempt veterans discharged or released from active duty within the immediately prior year from paying non-resident tuition at UC and CSU, regardless of whether they have any direct relationship to the State of California in terms of residency or employment.

UC is concerned that the loss of revenue associated with the bill will affect the University's ability to provide veterans and other UC students with a quality education. Among the 958 identified undergraduate veterans enrolled at UC in 2011-12, 27 paid non-resident tuition. At current undergraduate non-resident supplemental tuition levels, AB 13 would impose a cost of $617,706 in lost undergraduate tuition revenue for UC. At the graduate and professional school level, 61 of 245 identified veterans paid non-resident tuition in 2011-12. The one-year impact of AB 13 at the graduate level could range from $746,945 to $921,222, depending on the various disciplines those students are pursuing. Thus, the total fiscal impact of AB 13 to UC could be in excess of $1.5 million annually. (Note that the above figures include only veterans currently receiving GI Bill benefits; the total number of veterans enrolled at UC is somewhat higher.)

UC is committed to providing access and support to veterans and active-duty military personnel who enrich the academic experience for all students. Once admitted, UC seeks to provide an environment where admitted veterans can succeed. Each UC campus provides dedicated veteran coordinators who aid in the benefits process after admission with priority class registration, veteran-specific student orientations, and information about other available services. Further, several campuses offer veteran-specific transition courses.

While we honor the service of all veterans and strive to ensure that admitted veterans succeed at UC, we believe that extending resident tuition status to veterans who are not otherwise deemed to be California residents could dilute the purpose of establishing a financial preference for California students and poses an unfair financial burden on the University, unless these revenue losses are addressed. Should the State wish to establish this policy as a priority, we believe the bill should provide the University with additional funds to cover the loss in UC tuition revenue.

As always, the University appreciates your consideration of our views. Should you have any questions on the University's position on AB 13, please do not hesitate to contact me at (916) 445-9924.

Sincerely,

Nadia Leal-Carrillo
Legislative Director

cc: Assembly Member Rocky J. Chávez
Vice Chair and Members, Senate Appropriations Committee
President Mark G. Yudof
Provost Aimée Dorr
Senior Vice President Daniel Dooley
Associate Vice President and Director Steve Juarez