

**UNIVERSITY OF CALIFORNIA POLICY GUIDELINES FOR CONFORMING TO  
THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY  
RECONCILIATION ACT OF 1996**

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A) Eligibility for Federal Financial Aid

In compliance with the Act and directives from the Department of Education, the University will no longer provide any federal Title IV financial aid to non-qualified students. This applies to all funds disbursed after July 30, 1997. If awards already have been made for 1997-98, campuses will need to eliminate any federal funds from students whom they know to be ineligible for federal benefits under the Act. This is likely to consist of students who are present in the U.S. under either the Family Unity (I-797) or Temporary Resident (I-688) visa categories, since other non-qualified categories have not previously been eligible for federal Title IV financial aid.

If any UC students lose their eligibility for federal aid as a result of the Act, the University will not replace the lost federal dollars. Campuses may help facilitate the use of private alternative student loans to supplant students' lost federal awards. These loans do not carry as attractive terms as subsidized federal or UC loans, but they can provide access to students willing to assume the burden.

Campuses should follow directives from other federal agencies about changes in eligibility for any federal benefits that UC students have received under the jurisdiction of that agency (e.g., fellowships, traineeships).

B) Eligibility for State Financial Aid

Eligibility for Cal Grants (the largest state-funded financial aid program) and other financial aid programs administered by the California Student Aid Commission (CSAC) is limited to California residents. Although undocumented students cannot establish residency, other non-qualified students can and thus have received Cal

**University of California Policy Guidelines**  
**Personal Responsibility and Work Opportunity Reconciliation Act of 1996**  
**Page 2**

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Grant awards in the past. CSAC uses residency determinations made by the segments, but they have the ultimate responsibility for determining eligibility for the programs they administer.

The Office of the President has communicated to CSAC that the University will continue to make residency determinations consistent with past practice and state law until further notice from the U.S. Justice Department.

If any UC students lose their eligibility for Cal Grants or other CSAC programs as a result of the Act, the University will not replace the lost CSAC dollars. As with the loss of federal support, campuses may help facilitate the use of private alternative student loans to supplant students' lost CSAC awards.

C) Eligibility for University Financial Aid

Due to the confusion and uncertainty surrounding the implementation of the Act, campuses have been unclear as to the eligibility status of certain students. Therefore, for the 1997-98 academic year only, all continuing non-qualified students will remain eligible for University-funded financial aid because they enrolled at the University with the understanding that they were eligible to receive financial support. Among newly enrolled non-qualified students, only those with Family Unity or Temporary Resident status will be eligible for University-funded financial aid because both campuses and students did not receive adequate notification about their change in eligibility until late in the award cycle.<sup>1</sup>

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<sup>1</sup> The 1997-98 federal application for financial aid, which was distributed prior to the passage of the Act, lists both Family Unity (I-797) and Temporary Resident (I-688) students as "eligible non-citizens." In addition, the Department of Education only recently (on July 30, 1997) issued a policy bulletin notifying institutions that these two categories of non-citizens are no longer eligible for financial aid.

The guidelines for awarding University-funded financial aid are as follows:

- 1) For 1997-98, campuses may award University-funded financial aid to continuing non-qualified students.
- 2) For 1997-98, campuses may not award University-funded financial aid to newly enrolled non-qualified students except for those with Family Unity (I-797) and Temporary Resident (I-688) status.
- 3) After 1997-98, no students, new or continuing, who are ineligible for benefits under the Act will receive University-funded financial aid.

D) Eligibility for Outside Agency Awards

Student eligibility for outside agency funds is not affected by this Act. All non-qualified students may continue to compete for and receive extramural funding if they are otherwise eligible for such awards. In cases where the University may be heavily involved in the administration of outside agency funds, campuses must make a determination as to whether such involvement makes those funds a de facto state benefit and therefore a program from which non-qualified students may not benefit.

E) Funding for University Financial Aid

General Counsel has advised that campuses should make University financial aid awards to non-qualified students using only funding derived from private sources (e.g., private funding overhead, interest income from private grants) to cover that portion of each student's financial aid award that would otherwise have been funded by the University's State General Funds and Education Fee funds.

Note that the use of private funds in place of Education Fee or State General Funds does not increase the University's total expenditure of funds on financial aid, but rather changes the funding source. Associate Vice President Hershman has indicated

that he will work with campuses to ensure that they can implement this policy. If necessary, he can arrange fund transfers if campuses do not have enough private funds.

F) Residency Status

All undocumented students already are prohibited from establishing residency for tuition and Cal Grant purposes. However, other non-qualified students currently can establish residency under the residency provisions in the Education Code, which the University has adopted as its residency policy. One remaining question is whether residency status is a state public benefit under the Act.

General Counsel will consult with the Justice Department regarding this issue and, in the interim, has recommended continuing to allow non-qualified students to establish residency.

**Non-Citizens Ineligible for Federal, State, and Institutional Financial Aid Under  
the  
Personal Responsibility and Work Opportunity Reconciliation Act of 1996<sup>2</sup>  
“Non-Qualified Aliens”**

1. Undocumented non-citizens;
2. Non-citizens granted temporary resident status<sup>3</sup>;
3. Permanent residents of the Trust Territory of the Pacific Islands or the Northern Mariana Islands;
4. Non-citizens granted extended voluntary departure;
5. Non-citizens granted temporary protected status;
6. Non-citizens granted voluntary departure under the Family Unity Program<sup>3</sup>;
7. Non-citizens who have applied for asylum;
8. Non-citizens who have applied for permanent resident status;
9. Non-citizens who have applied for temporary resident status;
10. Non-citizens who have applied for suspension of deportation;
11. Deportable non-citizens who have been granted voluntary departure;
12. Non-detained non-citizens against whom exclusion of deportation proceedings have been instituted and who do not have a final order of deportation or exclusion;
13. Non-citizens who have been granted deferred action; and
14. Deportable non-citizens who have been placed under an order of supervision;

**Non-Citizens Ineligible for Federal Aid Under the Personal Responsibility and  
Work Opportunity Reconciliation Act of 1996;  
Not Precluded from Eligibility for State and Institutional Aid**

1. Non-immigrants under the Immigration and Nationality Act (e.g., international students); and
2. Aliens who are paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for less than one year.

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<sup>2</sup> General Counsel also inquired about three categories of non-citizens: 1) non-citizens in all nonimmigrant visa categories; 2) citizens of the Federated States of Micronesia or of the Marshall Islands; and 3) non-citizens who are dependents of non-citizens classified as NATO-1 through NATO-7. The Justice Department responded that individuals in these visa categories are non-immigrants and therefore ineligible for federal aid but eligible for state benefits.

<sup>3</sup> Previously eligible for federal Title IV financial aid.