



OFFICE OF THE PROVOST AND SENIOR VICE-PRESIDENT—
ACADEMIC AFFAIRS

OFFICE OF THE PRESIDENT
300 Lakeside Drive, 22nd Floor
Oakland, California 94612-3550
September 17, 1997

CHANCELLORS

Dear Colleagues:

I am writing to provide you with the attached policy guidelines to assist your campus in conforming to the requirements of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("the Act"). As you know, this new law prohibits the University from providing any federal or state benefits, as defined under the Act, to students who are not lawfully present in the United States or who are not included in the definition of qualified recipients described in the Act.

Categories of Non-Qualified Non-Citizens

Since my March 7, 1997 correspondence to you on this subject, General Counsel has received clarification from the Department of Justice on the specific categories of non-citizens that no longer are eligible for benefits under the Act. (See page 5 of the attachment for a list of non-qualified aliens according to the Act). In summary, all undocumented non-citizens and many documented non-citizens who are not permanent residents are considered "non-qualified" and, therefore, not eligible to receive certain federal or state benefits.

Please note that all students with valid nonimmigrant visas (e.g., international students) are ineligible for federal benefits under the Act but are not precluded from eligibility for state and University benefits.

Types of Benefits Eliminated

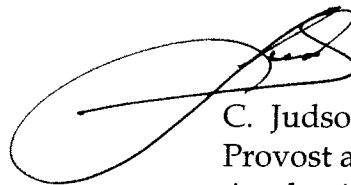
General Counsel has advised that the benefits eliminated for non-qualified students include financial aid from federal, state, and University sources. "Financial aid" is defined as both need- and merit-based student financial support. Eligibility to establish residency for tuition purposes also may be a prohibited state benefit. General Counsel will seek the view of the Justice Department on this point before the University considers changing its current residency determinations.

Development of Policy Guidelines

In developing these policy guidelines, my staff was cognizant of the level of confusion and uncertainty over the implementation of the Act since its passage last year. In addition, we are acting with the understanding that the University made financial commitments to students in the past and that a number of these students chose to enroll at the University with the expectation that they would receive such support.

General Counsel has been advised of these policies and has stated that they are reasonable choices to make given all of the considerations that the University is obliged to weigh. If you have any questions or concerns regarding these guidelines, please call Kate Jeffery, Director of Student Financial Support, at (510) 987-9530.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Judson King', with a large, stylized flourish extending to the left.

C. Judson King
Provost and Senior Vice President
Academic Affairs

Attachments

cc: (w/attachments):

President Atkinson
General Counsel Holst
Associate Vice President Hershman
Assistant Vice President Galligani
Deputy General Counsel Morrison
Director Jeffery
University Counsel Birnbaum

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

A) Eligibility for Federal Financial Aid

In compliance with the Act and directives from the Department of Education, the University no longer will 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 alternative private 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 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 alternative private 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.¹

¹ 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 no longer are 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 may 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 have insufficient private funds.

E) 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 our present practice of allowing 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 1996²
“Non-Qualified Aliens”**

1. Undocumented non-citizens;
2. Non-citizens granted temporary resident status³;
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 Program³;
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.

² 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.

³ Previously eligible for federal Title IV financial aid.