

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

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Memorandum

December 14, 2017

Fiscal Services Memo 17-14
Via E-mail Only

TO: Chief Business Officers
Chief Instructional Officers

FROM: Wrenna Finche, Director
Fiscal Standards and Accountability

SUBJECT: 2018-19 Nonresident Fees need to be established by February 1, 2018

SYNOPSIS: Education Code (EC) Section 76140 requires each district governing board to establish the nonresident tuition fee not later than February 1 for the succeeding fiscal year.

Nonresident Tuition Fee. For determining your district's 2018-19 nonresident tuition fee, the 2016-17 statewide average expense of education was **\$7,404** per full time equivalent student (FTES). The projected increase in the United States Consumer Price Index (USCPI) as determined by the Department of Finance is 2.4% for the 2017-18 fiscal year and 2.2% for 2018-19, for a compound factor of 1.046 against the 2016-17 statewide average expense of education (\$7,404) yields an Average cost of **\$7,745** per FTES for the tuition year, or **\$258** per semester unit for a 30-unit semester term academic year. For districts on the quarter system, the 45-unit quarter term academic year results in **\$172** per quarter term unit.

Nonresident Tuition Fee Options. EC 76140(e) enumerates seven options for a district to choose in setting its nonresident tuition fee. These options are reflected in the enclosed worksheet as the "basis for adoption." Options 1-3 are generally well understood, but for Option 4 ("*No more than contiguous district*") and Option 5 ("*No more than district, no less than statewide cost*"), please keep in mind the following specifics:

Option 4 '*No more than contiguous district*'. A review of the legislative history when this option was adopted confirms that this amount **must be within** the:

- **Fee** (**not cost**) adopted by a contiguous district (**Maximum** amount for Option #4);

AND

- **Cost** of the lesser of (1) your district's average **cost** **OR** (2) the statewide average **cost** (**Minimum** amount for Option #4).

Option 5 ‘No more than district, no less than statewide cost’. The *maximum amount* for this option is the district average cost, and the *minimum amount* for this option is the statewide average cost. **Only** an amount **between** these maximum and minimum amounts is allowed under this option.

Option 6 ‘Highest Years Statewide Average Tuition’. (EC 76140(e)(1)(B)). Use the greater of the succeeding year, the current year or any of the four prior year’s statewide average nonresident tuition fee calculation, which is **\$258 per semester unit** or **\$172 per quarter unit** from 2016-2017.

Option 7 ‘No more than 12 Comparable States Average Tuition’. (EC 76140(e)(1)(E)). No greater than the 2016-17 average nonresident tuition fee of public community colleges in a minimum of 12 states comparable to California in cost of living. This average is calculated to be **\$424 per semester unit** or **\$283 per quarter unit**.

Nonresident Capital Outlay Fee. Pursuant to EC Section 76141 a district **may** also charge to any nonresident student (**except nonresident students having AB 540 status**) a capital outlay fee. The amount of the nonresident capital outlay fee has to be the lesser of:

- the amount that was expended by the district for capital outlay in the preceding fiscal year divided by the total full-time equivalent student (FTES) of the district in the preceding fiscal year; OR
- 50% of the 2016-17 nonresident tuition fee adopted pursuant to EC 76140.

Processing Fee for Students from Foreign Countries. Pursuant to EC 76142 a district **may** charge nonresident applicants who are both citizens and residents of a foreign country a processing fee not to exceed the lesser of (1) the actual cost of processing an application and other documentation required by the federal government **OR** (2) \$100, which may be deducted from the tuition fee at the time of enrollment.

Exemptions to these fees. Various exemptions to these fees are provided in the law. Please click on the following web links to EC Sections 76140-76143 and a related legal opinion to learn more about these exemptions:

<http://Ed Code Non-Res>

<http://AB540 and Non-Res Capital Outlay Fee>

Tuition Fee Worksheet. A worksheet for computing the nonresident tuition and capital outlay fees is enclosed. The comparable information for all districts used to derive the statewide average expense of education per FTES for 2016-17 is also enclosed for your reference.

ACTION/DATE REQUESTED: Please complete and return by **February 15, 2018** a copy of the enclosed worksheet and provide information on the 2018-19 nonresident tuition and capital outlay fees adopted by your district governing board by February 1, 2018.

CONTACT: If you have any questions or comments regarding this memorandum, please contact Michael Yarber at (916) 327-6818 or myarber@cccco.edu.

California Community Colleges

2018-19 NONRESIDENT FEES WORKSHEET

NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 1 THROUGH 7

2018-19 NONRESIDENT TUITION FEE (EC 76140)	(Col. 1) Statewide	(Col. 2) District	(Col. 3) 10% or More Noncredit FTES
A. Expense of Education for Base Year (2016-17 CCFS 311, Expenditures by Activity Report, AC 0100-6700, Cols: 1-3)	\$8,691,115,474	\$149,888,630	\$ _____
B. Annual Attendance FTES (Recal 2016-17)	<u>1,173,780</u>	19,948	_____
C. Average Expense of Education per FTES (A ÷ B)	\$7,404	\$ 7,514	\$ _____
D. U.S. Consumer Price Index Factor (2 years)	x <u>1.046</u>	x <u>1.046</u>	x <u>1.046</u>
E. Average Cost per FTES for Tuition Year (C x D)	<u>\$7,745</u>	\$ 7,860	\$ _____
F. Average Per Unit Nonresident Cost – Semester (Qtr)	<u>\$258 (\$172)</u>	\$ 262	\$ _____
G. Highest year Statewide average – Semester (Qtr)	<u>\$258 (\$172)</u>	\$ _____	\$ _____
H. Comparable 12 state average – Semester (Qtr)	<u>\$424 (\$283)</u>	\$ _____	\$ _____

Annual Attendance FTES includes all student contact hours of attendance in credit and noncredit courses for resident and nonresident students; Round tuition fee to the nearest dollar.

Column 3 is an option for use by a district with ten percent or more noncredit FTES (*Section 76140(e)(1)(A)*). If your district qualifies, then fill out this column with noncredit FTES and noncredit expense of education data excluded.

NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 6 OR 7

Option 6. The greater amount of the calculations of statewide nonresident tuition for 2013-14 through 2016-17 is \$258 per semester unit or \$172 per quarter unit (2016-17).

Option 7. The average of the nonresident tuition fees of public community colleges in 2016-17 of no less than 12 states comparable to California in cost of living is \$424 per semester unit or \$283 per quarter unit.

Requirement for Use of Option 6 or 7: The additional revenue generated by the increased nonresident tuition permitted under options 6 or 7 shall be used to expand and enhance services to resident students (*EC 76140(e)(2)*). Districts meeting one or more criteria below shall be considered in compliance with the requirements of *EC 76140(e)(2)*. Please check all that apply:

- Revenue from nonresident tuition was less than 5% of total general fund revenue.
- Actual resident FTES was greater than funded resident FTES.
- Percent expenditures for counseling and student services were greater than statewide average (AC 6300 plus 6400 divided by AC 0100-6700, Cols. 1-3).
- Percent expenditures for instructional services were greater than statewide average (AC 0100-5900 divided by AC 0100-6700, Cols. 1-3).

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The district governing board at its _____, 20____ meeting adopted a **nonresident tuition fee** of \$ _____ per semester unit or \$ _____ per quarter unit.

Basis for adoption is (*place an X in one box only*).

- 1. Statewide average cost, per column 1.
- 2. District average cost, per column 2.
- 3. District average cost with 10% or more noncredit FTES, per column 3.
- 4. Contiguous district. _____ . (*Specify district and its fee*).
- 5. No more than district average cost (Col. 2 or 3); no less than statewide average cost.
- 6. Statewide average cost, from 2016-17 (\$258 per semester unit; \$172 per quarter unit).
- 7. No more than average tuition of 12 states with cost of living comparable to California.

NONRESIDENT CAPITAL OUTLAY FEE (EC 76141)

For districts electing to charge a **capital outlay fee** to any nonresident student, please compute this fee as follows:

- a. Capital Outlay expense for 2016-17 \$ _____
- b. FTES for 2016-17 _____
- c. Capital outlay expense per FTES (*line a divided by line b*) _____
- d. Capital Outlay Fee per unit:
 - 1. Per semester unit (*line c divided by 30 units*) _____

OR

- 2. Per quarter unit (*line c divided by 45 units*) _____
- e. 2018-19 Nonresident Student Capital Outlay Fee (not to exceed *the lesser* of line d **OR** 50% of adopted 2018-19 Nonresident Tuition Fee) _____

The district governing board at its _____, 20____ meeting adopted a **nonresident capital outlay fee** of \$ _____ per semester unit or \$ _____ per quarter unit.

Upon adoption of nonresident tuition and/or capital outlay fees by your district governing board by February 1, 2018, please submit a copy of this report by February 15, 2018 to:

**California Community Colleges Chancellor's Office
Fiscal Services Unit (attn. Michael Yarber)
1102 Q Street,
Sacramento, CA 95811-6549 FAX (916) 323-8245**

District: _____

Contact Person: _____

Phone Number & email: _____

CALIFORNIA COMMUNITY COLLEGES
 2018-19 Nonresident Tuition Fee
 Based on 2016-17 Actual Expense of Education from CCFS-311
 (AC 0100-6700; Objects of Expenditure 1000-5000)

District Code	District	2016-17 Expense of Education*	2016-17 Total FTES**	2016-17 Expense Per FTES
610	Allan Hancock	64,003,969	10,315.28	6,204.77
620	Antelope Valley Joint	78,881,041	10,701.37	7,371.12
910	Barstow	16,932,161	2,673.40	6,333.57
110	Butte-Glenn	135,814,777	10,296.40	13,190.51
410	Cabrillo	80,461,127	10,610.35	7,583.27
810	Cerritos	118,757,778	17,080.84	6,952.69
480	Chabot-Las Positas	132,853,569	16,072.17	8,266.06
920	Chaffey	108,996,287	16,725.28	6,516.86
820	Citrus	75,483,382	12,478.44	6,049.10
830	Coast	223,905,487	32,587.15	6,870.97
710	Compton	38,815,891	5,212.27	7,447.02
310	Contra Costa	208,638,770	26,516.22	7,868.35
970	Copper Mountain	15,444,515	1,424.95	10,838.64
930	Desert	63,394,603	8,888.56	7,132.16
720	El Camino	132,736,144	18,898.47	7,023.64
120	Feather River	17,735,057	1,905.46	9,307.49
420	Foothill-DeAnza (quarter system)	247,238,516	30,581.27	8,084.64
440	Gavilan	39,041,510	5,420.38	7,202.73
730	Glendale	104,268,511	16,422.44	6,349.15
20	Grossmont-Cuyamaca	149,888,630	19,948.40	7,513.82
450	Hartnell	53,039,796	7,431.72	7,136.95
30	Imperial	50,266,169	6,914.39	7,269.79
520	Kern	135,032,159	21,976.33	6,144.44
220	Lake Tahoe (quarter system)	16,481,410	1,826.17	9,025.12
130	Lassen	15,283,451	1,758.87	8,689.36
840	Long Beach	137,992,305	21,382.31	6,453.57
740	Los Angeles	775,231,501	111,807.34	6,933.64
230	Los Rios	360,980,142	53,503.03	6,746.91
330	Marin	57,238,819	3,850.01	14,867.19
140	Mendocino-Lake	25,597,378	3,149.34	8,127.85
530	Merced	68,287,430	9,744.69	7,007.66
50	Mira Costa	107,260,603	11,489.94	9,335.18
460	Monterey Peninsula	51,678,993	6,854.64	7,539.27
850	Mt. San Antonio	205,587,159	31,932.42	6,438.20
940	Mt. San Jacinto	79,154,042	12,522.68	6,320.85
240	Napa Valley	41,374,791	5,388.07	7,678.96

District Code	District	2016-17 Expense of Education*	2016-17 Total FTES**	2016-17 Expense Per FTES
860	North Orange County	293,308,189	38,089.23	7,700.55
430	Ohlone	59,746,411	8,932.29	6,688.81
950	Palo Verde	16,832,323	2,102.26	8,006.78
60	Palomar	139,526,809	18,794.55	7,423.79
770	Pasadena	162,024,466	25,739.11	6,294.87
340	Peralta	185,067,476	17,393.82	10,639.84
870	Rancho Santiago	210,216,106	28,238.46	7,444.32
160	Redwoods	32,900,691	4,272.77	7,700.08
880	Rio Hondo	91,719,957	11,769.09	7,793.29
960	Riverside	203,222,971	30,376.33	6,690.18
980	San Bernardino	116,010,671	14,389.53	8,062.16
70	San Diego	314,363,785	44,751.54	7,024.65
360	San Francisco	207,784,960	21,589.96	9,624.15
550	San Joaquin Delta	106,187,401	13,722.69	7,738.09
470	San Jose-Evergreen	118,708,360	12,187.20	9,740.41
640	San Luis Obispo County	56,915,246	7,283.50	7,814.27
370	San Mateo County	171,995,137	18,046.73	9,530.54
650	Santa Barbara	111,910,349	14,635.40	7,646.55
660	Santa Clarita	110,336,288	16,945.41	6,511.28
780	Santa Monica	189,981,824	27,807.32	6,832.08
560	Sequoias	63,089,471	9,790.62	6,443.87
170	Shasta-Tehama-Trinity	49,780,352	7,432.86	6,697.33
270	Sierra Jt.	93,823,086	13,009.37	7,211.96
180	Siskiyou Jt.	23,615,124	2,658.75	8,882.04
280	Solano	55,523,844	6,591.23	8,423.90
260	Sonoma	137,620,174	17,011.00	8,090.07
890	South Orange County	203,171,576	29,117.27	6,977.70
90	Southwestern	107,199,578	16,271.21	6,588.30
570	State Center	196,873,609	27,697.74	7,107.93
680	Ventura	182,059,404	25,777.22	7,062.80
990	Victor Valley	76,829,719	9,855.95	7,795.26
580	West Hills	46,072,613	5,725.21	8,047.32
690	West Kern	29,994,789	2,698.53	11,115.23
490	West Valley	110,648,873	13,429.37	8,239.32
590	Yosemite	124,430,569	15,628.46	7,961.79
290	Yuba	57,845,400	7,727.23	7,485.92
Totals		\$8,691,115,474	1,173,780	\$7,404

* "Expense of Education" is defined in the Budget and Accounting Manual as including all General Fund expenditures, restricted and unrestricted, for all objects of expenditure 1000 through 5000 and all expenditures of activity from 0100 through 6700. For the purposes of calculating the Nonresident Tuition Fee, Expense of Education is different than the 50% Law "current expense of education".

** Includes credit and noncredit FTES for resident and nonresident students.