

TO: Chief Instructional Officers
Chief Student Services Officers
Chief Financial Aid Officers
Admissions and Records

FROM: Gina Browne, Assistant Vice Chancellor, Strategic Planning and Program Operations

RE: Updates to Nonresident Tuition Exemption Implementation Regulations (AB 1540)

The memo provides guidance regarding the implementation of the regulatory revisions to the Nonresident Tuition Exemption Implementation requirements (AB 1540) sections 54045 and 54045.5 that became effective Oct. 13, 2024. Pursuant to California Code of Regulations, section 52010, college districts must conform their policies and procedures to the regulatory requirements within one hundred and eighty (180) days of the effective date.

Background

Enacted in 2001, AB 540 opened the doors to higher education for thousands of undocumented students by removing the burden of nonresident tuition at California's public colleges and universities. This landmark legislation provided long-term California residents, regardless of their citizenship status, with an educational pathway to receive an exemption from the payment of nonresident tuition fees. To qualify for the nonresident tuition exemption, a student must satisfy all of the requirements listed in Education Code Section 68130.5, including the following:

- Attending or attainment of credits earned while in California equivalent to three or more years of full-time attendance.
- Graduation from a California high school, attaining an associate degree from a California community colleges, or fulfilling minimum transfer requirements as established by the University of California or California State University.
- In the case of a student without lawful immigration status, filing an affidavit with the institution of higher education stating that the student has filed an application to legalize the student's immigration status or will file an application as soon as the student is eligible to do so.

Assembly Bill 1540 (M. Fong)

AB 1540 reduces the number of required forms and duplication for students to access resident tuition and state financial aid. This innovative legislation advances Vision 2030 goals to provide equity in access and support by authorizing the California Student Aid Commission (CSAC) to take the necessary steps to embed the AB 540 affidavit within the California Dream Act Application (CADAA). Under this new process, students only need to complete one form to apply for both the nonresident tuition exemption and state-based financial aid. This alleviates a significant burden on students and will increase the number of students who apply for and receive a Cal Grant

Summary of Nonresident Tuition Exemption Implementation Regulatory Revisions

The revisions to sections 54045 and 54045.5 clarify the processes by which students can apply for nonresident tuition exemption and specifies how districts may verify student eligibility.

Section	Summary
Alien Students (Section 54045)	<ul style="list-style-type: none">• Renames this section to “Undocumented Students.”• Clarifies that a person who is not a citizen or national of the United States to be known as an “undocumented person.”• Removes and updates references to “alien.”
Nonresident Tuition Exemption Implementation (Section 54045.5)	<ul style="list-style-type: none">• Specifies that a student seeking a nonresident tuition exemption under Education Code Section 68130.5 may either file a California Nonresident Tuition Exemption form with the district of enrollment OR by filing a CADAA.• Clarifies that the requirement to file an affidavit only applies to “undocumented persons.”• Requires districts that receive notice from CSAC that a student successfully submitted the information required by Education Code Section 68130.5 through the CADAA to accept that information.• Authorizes districts to request supplemental information from the student only when the district has a reasonable basis to question a student’s eligibility for the exemption.

Coordination with the California Student Aid Commission

Colleges may access the AB 540 affidavit information a student provided to CSAC in three ways:

1. AB 540 School Report - this report provides a cumulative list of all students who have selected your college on their CADAA. The AB 540 report is available in WebGrants for any user who has access to the existing CADAA menu and is provided in text and csv formats. For access to the CADAA menu, please contact the college's WebGrants administrator, who in most cases is the financial aid director.
2. AB 540 Affidavit Search Screen – this WebGrants screen allows users to view and print individual AB 540 affidavits completed by students who have selected their college on their CADAA.
3. AB 540 Affidavit for Students - a copy of the student's AB 540 affidavit is now included with the applicant's CADAA submission summary.

More information on accessing AB 540 affidavit data can be found in in the CSAC [2024-25 CADAA – AB 540 Affidavit special alert](#).

District Responsibilities

The Chancellor's Office strongly encourages colleges to explore all options for streamlining and simplifying the financial aid application process for AB 540 students. Colleges are expected to update local policies, procedures, and websites to replace all references to the term "alien." With "undocumented person." While institutions may provide a separate AB 540 affidavit to students who do not apply for state financial aid, it is highly recommended that colleges direct students to CSAC so that they may submit both an affidavit and a California Dream Act Application, since being eligible for AB 540 makes them eligible to apply for state financial aid.

Please share this information with all college departments and pertinent staff that advise students on matters of residency and nonresident tuition exemptions. If you have any questions, please send them directly to AB540@CCCCO.edu.