
SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

Bill No: SB 467 **Hearing Date:** April 3, 2019
Author: Monning
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Urgency: No **Fiscal:** Yes
Consultant: Lynn Lorber

Subject: Postsecondary education: cost-of-living categories.

SUMMARY

This bill expands the type of information relative to costs of living off-campus that is currently required to be posted on the website for the California State University, and requested to be posted on the website of the University of California.

BACKGROUND

Existing federal law:

- 1) Requires the United States Secretary of Education to make publicly available on the College Navigator website specified information about each institution of higher education that participates in federal financial aid programs, among many other things, the cost of attendance for first-time, full-time undergraduate students who live on campus and for those who live off-campus. Existing regulations also require, for public institutions of higher education, information on those costs for residents and non-residents. (United States Code, Title 20, § 1015a)
- 2) Defines “cost of attendance” as:
 - a) Tuition and fees normally assessed, including costs for required equipment, materials or supplies.
 - b) An allowance for books, supplies, transportation, and miscellaneous personal expenses including a computer.
 - c) An allowance, as determined by the institution, for room and board costs, as specified.
 - d) For students enrolled less than half-time, tuition and fees and an allowance for specified costs.
 - e) Allowances for students who are engaged in work study, are incarcerated, have dependents or are disabled. (20 USC § 1087II)

Existing state law:

- 3) Requires the University of California (UC) to report biennially to the Legislature and the Department of Finance, by October 1 of each even-numbered year, on the total costs of education at the UC. (Education Code § 92670)
- 4) Requires the costs to be reported on both a systemwide and campus-by-campus basis for any report submitted after January 1, 2017. Existing law requires a report prepared after January 1, 2017, to include information on costs, disaggregated by campus, based on the methodology developed by the National Association of College and University Business Officers in its February 2002 report, and other methodologies determined by the UC. (EC § 92670)
- 5) Requires each campus of the California State University (CSU), and requests each campus of the UC, to annually post on its website information about the market cost of a one-bedroom apartment in the areas surrounding the campus. (EC § 66014.2)
- 6) Requires each institution of higher education with a physical presence in this state to separately list the cost of institutionally operated housing and meal plans on all websites and documents it provides to students for purposes of advertising or otherwise displaying the student costs associated with institutionally operated housing. (EC § 69503.6)
- 7) Requires the Regents of the UC and the Trustees of the CSU to annually provide the Legislature, by February 1, of each year, with detailed information regarding expenditures of revenues derived from student fees and uses of institutional financial aid, and provide information regarding the systemwide average total cost of attendance per student. (EC § 66028.6)
- 8) Defines “cost of attendance” as the mandatory systemwide fees, books and supplies, room and board, transportation, and miscellaneous personal expenses for an undergraduate California resident student, as used in determining financial aid eligibility. (EC § 66028.1)

ANALYSIS

This bill expands the type of information relative to costs of living off-campus that is currently required to be posted on the website for the CSU, and requested to be posted on the website of the UC. Specifically, this bill:

- 1) Requires each campus of the CSU, and requests each campus of the UC, to annually post all of the following on its website, beginning February 1, 2020:
 - a) Information about the market cost of two-bedroom apartments and of one-person bedrooms in private houses in the areas surrounding that campus where its students commonly reside.
 - b) Separate estimates of other cost-of-living categories, on the same webpage, including but not limited to all of the following:

- i) The estimated cost of living at home or in a permanent residence, such as with a parent.
 - ii) The estimated cost of food.
 - iii) The estimated cost of transportation.
 - iv) The estimated cost of books and supplies.
 - v) The estimated cost of miscellaneous expenses.
 - vi) The estimated cost of tuition.
 - vii) The estimated cost of mandatory student fees.
 - viii) A description of the data sources and methods used to calculate its estimates for each cost of living category.
- c) A statement emphasizing both of the following:
- i) All cost estimates reflect estimated costs for a typical student, but actual costs can vary considerably for individual students.
 - ii) The university strongly encourages prospective students and their families to consider how their own costs might differ from those given in the estimates, including by seeking out cost of attendance estimates from other sources and by considering whether they will face other costs that are not listed in the estimate categories or how their veteran status might affect costs.
- 2) Requires each campus of the California State University (CSU), and requests each campus of the University of California (UC) to post the information on the same web pages where it posts cost estimates of institutional housing and meal plans (as required by existing law).

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “Affordability has long been one of the principal barriers to Californians seeking access to higher education and the lack of accurate cost-of-attendance information available to prospective students can make the decision to pursue a degree program much more difficult. The lack of comprehensive information about the actual cost of attending a CSU or UC campus can lead to students foregoing an educational opportunity under the mistaken belief that they cannot afford to attend a campus. Additionally, many students who attend a CSU or UC under the belief that they can afford the expenses often find that the actual, total cost to attend is far greater than expected, leading some to dropout or postpone their education.”
- 2) ***Expands existing requirements.*** Existing law requires each campus of the CSU, and requests each campus of the UC, to annually post on its website

information about the market cost of a *one-bedroom apartment* in the areas surrounding the campus. This bill expands that requirement to also include:

- a) The market cost of *two-bedroom apartments* and of *one-person bedrooms in private houses* in the areas surrounding that campus where its students commonly reside.
- b) The estimated cost of *living at home or in a permanent residence*, such as with a parent.
- c) The estimated cost of food.
- d) The estimated cost of transportation.
- e) The estimated cost of books and supplies.
- f) The estimated cost of miscellaneous expenses.
- g) The estimated cost of tuition.
- h) The estimated cost of mandatory student fees.

Is it reasonable to expect the universities to determine the market cost of one-person bedrooms in private houses? Is there a clear way of making this determination, such as a trusted and accurate website? Staff notes that existing law requires campuses, in reporting the market cost of a one-bedroom apartment, to exercise due diligence, and consult bona fide and reliable sources of current information about local housing market costs, including, but not necessarily limited to, information received from students of that campus, local newspapers and bulletin boards, and websites on which notices regarding local rental vacancies are posted. Those provisions of existing law would apply to this bill, as well.

3) ***Existing sources of related information.***

- a) *College Navigator*. Existing federal law requires the United States Secretary of Education to make publicly available on the College Navigator website specified information about each institution of higher education that participates in federal financial aid programs, among many other things, the cost of attendance for first-time, full-time undergraduate students who live on campus and for those who live off-campus. The College Navigator provides campus-specific data, and federal law defines “cost of attendance” to include allowances for housing. However, federal statutes do not state *how* the cost of attendance is to be established. <https://nces.ed.gov/collegenavigator/>
- b) *Student Expenses and Resources Survey (SEARS)*. SEARS is a triennial survey conducted by the California Student Aid Commission (CSAC) to assess the financial circumstances, attendance costs, and expenses of California’s college students. Due to budget constraints, the SEARS

survey was not conducted between 2006-07 and 2018-19.

The California Student Aid Commission (CSAC) is currently conducting the SEARS, for the first time in over a decade. The survey results will be used to update and improve the estimate for how much the typical student pays annually for books and supplies, technology, housing, food, transportation, medical care, and other expenses while attending college. The CSAC will also report on the sources of funds—such as wages, grants, loans, and money from parents—that students use to pay for all costs of college.

According to the CSAC's website, the year's survey has been significantly enhanced to allow more detailed examination of ways that college costs may vary by geographic region as well as by demographic characteristics including gender and race/ethnicity. The survey will generate a higher quantity and quality of data that tells a more complete story of how the state's diverse student population experiences the economics of college attendance.

A distinction between the Student Expenses and Resources Survey (SEARS) and the approach taken by this bill is that the survey reports actual student-level expenses, while this bill provides the market costs that a student may be expected to pay.

- 4) **Related legislation.** AB 710 (Cervantes) requires all segments of higher education in California to each calculate and include specified items in a calculation of a full-time student's cost of attendance at that institution, including the cost of living with family as a dependent and living independently off campus. AB 710 is pending in the Assembly Higher Education Committee.
- 5) **Prior legislation.** AB 1961 (Choi, Chapter 314, 2018) required each institution of higher education with a physical presence in this state to separately list the cost of institutionally operated housing and meal plans on all Web sites and documents it provides to students for purposes of advertising or otherwise displaying the student costs associated with institutionally operated housing.

AB 990 (Rodriguez, Chapter 170, 2017) required each campus of the California State University (CSU), and requested each campus of the University of California (UC), to annually post on its Web site information about the market cost of a one-bedroom apartment in the areas surrounding the campus.

AB 1064 (Calderon, 2017) would have required the CSU to conduct a survey every three years at each campus to determine the average student's annual discretionary expenses, excluding tuition and fees, to attend the campus. AB 1064 was vetoed by Governor Brown, whose veto message read:

While I understand the desire to provide students and families with detailed and accurate cost information on all aspects of college attendance, the bill requires too many data points to be collected, analyzed and reported by each campus at not trivial expense.

If the Board of Trustees is dissatisfied with the way cost estimates are currently reported to the U.S. Department of Education's College Navigator, then the Board should decide what information is most valuable and how much funding should be allocated to its collection and dissemination.

SUPPORT

California State Student Association

OPPOSITION

None received

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