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# SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

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**Bill No:** AB 1961 **Hearing Date:** June 20, 2018  
**Author:** Choi  
**Version:** May 25, 2018  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Lynn Lorber

**Subject:** Postsecondary education: student housing and meal plans.

## SUMMARY

This bill 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.

## BACKGROUND

Existing law:

- 1) Requires, pursuant to federal law, 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, pursuant to federal law, "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)
- 3) Requires, pursuant to state law, the University of California 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 University of California (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 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)
- 7) 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 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.

## STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “Students attending UC Irvine this year are expected to pay nearly \$27,000 in tuition, fees, and living expenses, and that number is just an estimate. There clearly exists in current practice a lack of financial transparency when it comes to the cost of living in campus provided housing. Not only are meal plans a required purchase on many campuses as a requisite for living in campus housing, but the costs of those meal plans are comingled with the costs of room and board on several university websites and materials provided to families. That lack of transparency is to the detriment of students.”
- 2) ***Applicability.*** This bill applies to all institution of higher education with a physical presence in this state, including public and private institutions. A sample review of UC, CSU, and independent institutions’ websites shows that some institutions already separately list housing and meal plan costs, while others list

housing and meals plans as a combined package.

- 3) ***Fiscal impact.*** According to the Assembly Appropriations Committee, this bill would impose:
- a) Minor General Fund cost pressures, likely in the low tens of thousands of dollars, for the University of California (UC) to separate the costs of student housing and meal plans and publish them on websites and other documents.
  - b) Minor General Fund cost pressures, likely in the low thousands of dollars, for California State University (CSU) to separate the costs of student housing and meal plans and publish them on websites and other documents. Many CSU campuses already separate these costs on websites and other documents.
- 4) ***Prior legislation.*** 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 the Governor, 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.***

SB 307 (Nguyen, 2017) requests the UC to convene a task force, consisting of three representatives from the UC, the CSU, and the California Community Colleges, selected by the governing boards of each segment, for the purpose of conducting a study to determine the extent, causes, and effects of housing insecurity and homelessness of current and future students. SB 307 was held in the Assembly Appropriations Committee.

## **SUPPORT**

None received

## **OPPOSITION**

None received

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