

Date of Hearing: April 22, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 718 (Tangipa) – As Introduced February 14, 2025

SUBJECT: Public postsecondary education: admission: salary and student loan data

SUMMARY: Requires the California State University (CSU), and would request the University of California (UC), to include on admission letters the average salary data and average student loan payment data specific to the admitted student's intended area of study, as specified.

Specifically, **this bill:**

- 1) Requires the CSU, and requests that the UC, include on admission letters the average salary data and average student loan payment data specific to the admitted student's intended area of study, as specified.
 - a) Establishes that, for the academic years of 2026–27 to 2031–32, inclusive, the data provided will reflect the systemwide average salary and loan payment data for graduates in the admitted student's intended area of study; and.
 - b) Requires that, beginning with the 2032–33 academic year, the data provided will reflect the average salary and loan payment data specific to the admitted student's intended area of study, disaggregated by campus.
- 2) Specifies that data collected for labor market outcome information may be used to fulfill the requirements of this section.
- 3) Requires that data collected or provided for purposes of this section shall adhere to all applicable state and federal privacy laws.

EXISTING LAW:

- 1) Establishes the UC as a public trust to be administered by the Regents of the UC; and, grants the Regents full powers of organization and government, subject only to such legislative control as may be necessary to ensure security of its funds, compliance with the terms of its endowments, statutory requirements around competitive bidding and contracts, sales of property and the purchase of materials, goods and services (Article IX, Section (9)(a) of the California Constitution).
- 2) Establishes the Donahoe Higher Education Act, setting forth the mission of the UC, the CSU, and California Community Colleges (CCC) (Education Code (EDC) Section 66010, et seq.).
- 3) Confers upon the CSU Trustees the powers, duties, and functions with respect to the management, administration, control of the CSU system and provides that the Trustees are responsible for the rule of government of their appointees and employees (EDC Sections 66606 and 89500, et seq.).

- 4) Requires the CSU, and requests the UC, to publicly provide labor market outcome information relating to the graduates of their undergraduate programs. Requires that the information include, but not necessarily be limited to, salary data, and the percentage distribution of graduates, classified by industry. Requires this data to be posted on the made publicly available through publication on the Internet Web sites of the respective segments, and shall be updated no later than June 1 of each year. (EDC Section 66014.3)

FISCAL EFFECT: Unknown.

COMMENTS: *Purpose.* According to the author, “AB 718 will require that the [CSU] and request the [UC] systems to include specific salary and student loan information on admission letters for incoming students beginning in 2026 for the incoming 2027 admission class. By 2030 the CSU and UC must provide students with disaggregated data, allowing for students to see the average salaries and student loan payments for graduates of their field of study across the campuses. This bill aims to provide prospective students with valuable information regarding the potential financial outcomes of their chosen field of study, supporting more informed and financially smart decision-making in their educational journey.”

Background. Senate Bill 1022 (Huff), Chapter 394, Statutes of 2014, requires the CSU, and requests the UC, to post annual updated labor market data regarding their graduates on their Web sites. As noted in the Assembly Committee on Higher Education analysis of SB 1022 (Huff), the author believed that giving students a picture of college graduate salary earnings and industry placement would allow students to make thoughtful, data-driven decisions about where and what they want to study.

The idea was modeled after the California Community Colleges (CCC) Salary Surfer website, established in 2013, to make available to students and families comparative information about the earnings of recent graduates who received an award in a specific program area at CCCs. To accomplish this, community college student records from the Chancellor’s Office Management Information system were joined with California Employment Development Department wage records. The Salary Surfer uses the aggregated earnings of graduates from a five year period to provide an estimate on the potential wages to be earned two years and five years after receiving a certificate or degree in certain disciplines. The information is displayed on a searchable website hosted by the CCC Chancellor's Office.

Since the enactment of SB 1022 (Huff) in 2014, both CSU and UC host websites that provide labor market outcome information.

Argument in support. The Academy of Financial Education wrote in support of AB 718 (Tangipa), writing that “[CSU] provides an estimated cost of attending each of their institutions with fees, housing, and other expenses included for a year. For the academic year 2024-25, CSU campuses costs for attendance are on average \$30,000 annually. UC estimates average costs for their students who live on campus to be \$45,234 annually for the academic year 2025-26. Financial aid and scholarships are available to students, but roughly 31% of CSU undergraduate students and 32% of UC students, respectively, borrow. According to UC alumni data, UC graduates are employed in [California] two years after graduation with nursing as the highest

average salary achieved. Existing law requires each institution to publicly provide labor market outcome information relating to graduates of undergraduate programs.”

“AB 718 would require this data to be included in admission letters specific to each major and CSU campus and request the same for UC campuses. This information will equip students to make financially informed decisions regarding their academic future. The Academy of Financial Education supports this legislation because many of the individuals we serve are burdened with debt—often student loan debt—and are working in careers unrelated to their degrees. Providing average salary information empowers students and their families to make more informed decisions when planning for higher education.”

Committee comments. The current provisions of this bill, while well-intentioned, could create a situation where students are being provided information at the time of admission that is, not applicable, confusing, or inaccurate.

The Committee recommends, and the author has accepted, striking the current provisions of AB 718 and replacing it with the following amendments:

- 1) Requiring the CSU, and requesting the UC, include in admission notifications a hyperlink to the institution’s internet website containing labor market outcome information, as required in EDC Section 66014.3.
- 2) Requiring the CSU, and requesting the UC, include in admission notifications information on student loans, which includes:
 - a) The same student loan statement required in all printed and online financial aid materials issued or distributed by the institution to applicants for admission or matriculated students, as specified in EDC Section 69800; and,
 - b) An explanation that public and private student loans have a range of interest rates and fees. This explanation should include a hypothetical example that illustrates how different payment schedules can impact the total interest paid by the student for the life of the loan.

REGISTERED SUPPORT / OPPOSITION:

Support

California Chamber of Commerce
The Academy of Financial Education

Opposition

None on file.

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