

Date of Hearing: April 26, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2491 (Cervantes) – As Amended April 19, 2022

SUBJECT: Postsecondary education: cost of attendance: fiscal matters

SUMMARY: Establishes the Housing Cost of Attendance Act for the purpose of calculating and determining the cost of housing to be included in a full-time student's cost of attendance at the California Community Colleges (CCC), the California State University (CSU), and the University of California (UC). Specifically, **this bill:**

- 1) Establishes the Housing Cost of Attendance Act.
- 2) Requires each institution of the CCC, the CSU, and the UC to calculate and include at a minimum the following items when determining the cost of attendance at the institution for a full-time student:
 - a) Tuition and fees;
 - b) The cost of books and supplies;
 - c) Room and board, which is to be updated each year using the most recent fiscal year data;
 - d) Transportation; and,
 - e) Personal Expenses.
- 3) Authorizes an institution when ascertaining the cost of room and board within the cost of living calculation to classify a student as either living with a family as a dependent, living on campus, or living independently, and prepare a cost of housing for each designation.
- 4) Requires an institution when determining the cost of housing for a student living independently off campus, the institution will use the cost of housing for a one-bedroom unit in the community immediately surrounding the institution as determined by the Secretary of Housing and Urban Development (HUD) as defined in Section 1437f(c)(1)(A) of Title 42 of the United States Code, and published on HUD's website pursuant to Section 1437(f)(c)(1)(B) of Title 42 of the United States Code.
- 5) Permits an institution to use a different source other than those identified in (4) of this analysis, to determine the cost of housing if the "other source" is higher than a one-bedroom unit in the community immediately surrounding the institution as defined by the Secretary of HUD in (4) of this analysis. If an institution elects to use a source other than that identified in (4) of this analysis then the institution will post the source on its website.
- 6) Establishes if the Commission on State Mandates determines that this bill contains cost mandated by the state, the state shall reimburse the applicable entities.

EXISTING LAW: *Federal law.*

- 1) Requires, the United States Secretary of Education to make available to the public on the College Navigator website information about each institution of higher education that participates in federal financial aid programs, including, but not limited to, the cost of attendance of first-time, full-time undergraduate students who live on campus for those who live off – campus. Current regulations also require the College Navigator to include information on cost of attendance for residents and non-residents (United States Code (U.S.C) Title 20, Section 1015a).
- 2) Defines cost of attendance as:
 - a) Tuition and fees including cost for required equipment, materials, or supplies;
 - b) The cost of books, supplies, transportation, and miscellaneous personal expenses including a computer;
 - c) The cost of room and board as determined by the institution for a student living on campus, a student living off campus with their parents, and for all other students the cost shall be based on reasonable costs incurred by students for room and board;
 - d) For students enrolled less than half-time, tuition and fees and an allowance for specified additional costs;
 - e) Specified restrictions for those who are either, engaged in workstudy, studying abroad, are incarcerated, have dependents, are attending online, or are disabled (20 U.S.C. Section 1087II).

State law.

- 1) Requires, for the purpose of assisting families in understanding and more accurately estimating the cost of attendance, each campus of the CSU and requests each campus of the UC to post on their, respective websites all in the same location as the web page which contains the cost estimates of the institution's housing and meal plans, as defined, by February 1, 2020 and annually thereafter, the following information:
 - a) The market cost of a one- and two- bedroom apartment and of a one-person bedroom in a private houses in the areas surrounding that campus where students of the campus commonly reside;
 - i) When determining the above information, the campus will exercise due diligence, and consult bona fide and reliable sources of current information about local housing market costs, as defined. The source information will be posted along with the cost estimates on the campus website;
 - b) Separate estimates of other cost-of-living expenses including but not limited to:
 - i) The estimated cost of living at home or in a permanent resident with a parent;
 - ii) The estimated cost of food, transportation, books and supplies, miscellaneous expenses, tuition, mandatory student fees; and,

- iii) A description of the data sources and methods of calculating the above costs in each category.
 - c) A statement emphasizing the cost estimates is for a typical student, but the actual cost may vary considerably per student and that the university strongly encourages the prospective student and family to consider how their own costs and unique circumstances might differ from those listed on the website (Education Code Section 66014.2).
- 2) Defines cost of attendance as 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 (EDC Section 66028.1 (b)).
 - 3) 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 (EDC Section 69503.6).
 - 4) Establishes the Donahoe Higher Education Act and assigns the mission of the UC, the CSU, and the CCC (EDC Section 66010, et seq).
 - 5) Establishes the UC as a public trust to be administered by the Regents and grants the Regents full powers of organization and governance subject only to legislative control as necessary to ensure the security of funds, compliance with terms of its endowments, and the 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).
 - 6) Stipulates no provision of the Donahoe Higher Education Act shall apply to the UC unless the UC Regents adopts the provision (EDC Section 67400).
 - 7) Requires the UC to report to the Legislature on October 1 of each even number year the total cost of education, as defined, at the UC. The report shall include costs in aggregate for systemwide costs and campus by campus costs after January 1, 2017. The campus by campus cost will be based on methodology developed by the National Association of College and University Business Officers in its February 2002 report and any other methodologies determined by the University (EDC Section 96270).
 - 8) Requires each institution of higher education with a physical presences in this state to separately list the cost of campus operated housing and meal plan on their campus websites and any documents provided to students for the purpose of advertising the on-campus housing options (EDC Section 69502.6).
 - 9) Requires the Regents of the UC and the Trustees of the CSU to annually provide to the Legislature by February 1 of each year, information regarding the expenditures of revenues from student fees, the use of institutional financial aid, and information regarding the systemwide average total cost of attendance per student (EDC Section 66028.6).

FISCAL EFFECT: Unknown

COMMENTS: *Need for the measure.* As described by the author, “in 2020, many college students were displaced, losing their on-campus homes and their jobs and livelihoods. Other

college students took jobs, risking their health to help support their families, and others cared for children, siblings, and elderly family members at home. The tension of this past year fell disproportionately on Black and Latinx students, whose communities were hard hit both by COVID-19 and the evolving economic crisis.

AB 2491 will ensure that we do not underestimate or overestimate college costs which eventually make it harder for students to truly afford college. Colleges should not prevent students from accessing all the aid they need to afford college. By overestimating college costs, students are led to take out more loans than they may need, leading to larger than necessary post graduate college loan debt.

Finally, there is an emphasis on increasing maximum enrollment, but there is no assurance that the institution prioritizes providing an accurate total cost of attendance.”

Cost of attendance. According to the Federal Student Aid, an office of the U.S. Department of Education, cost of attendance is determined by the Higher education Act, Section 472, and is not subject to regulation by the U.S. Department of Education. More specifically, the law specifies that specific types of costs are associated with the overall cost of attendance including tuition, fees, room and board (living expenses), books, supplies, transportation, and miscellaneous personal expenses. However how those costs are determined is left to the discretion of the individual institution as long as the costs are reasonably determined. The significance of the “cost of attendance” determination is the final fiscal number used to determine a student’s overall financial aid either from the federal government, the state, or from the institution.

According to the Chancellor’s Office of the CSU, the system relies on data from the California Student Aid Commission’s (CSAC) Student Expenses and Resources Survey (SEARS), adjusted for inflation, in order to approximate the room and board costs of students living off campus. According to the UC Office of the President (UCOP) “Typical housing costs near UC campuses” a student financial support publication from April 2021, the cost of attendance as calculated by the UC is based in part on the results of its University-Wide Cost of Attendance Survey, which is conducted every three years. The UC student budgets used data from the 2019 administration of the University-Wide Cost of Attendance Survey. In the same document, the UCOP provides HUD data on 1) one-and two-bedroom apartments near UC campuses and 2) the monthly rent by housing type near UC campuses. The HUD data is provided as educational information to students and is not used in determine the cost of attendance at a UC campus. To the Committee’s staff knowledge the only location where cost of attendance beyond tuition and fees provided for the CCC is located on the federal College Navigator website which is delineated by campus. In determining the overall cost of attendance, the CCC also utilizes SEARS data adjusted for inflation.

Existing sources of cost of attendance. The College Navigator was created in response to a federal requirement for the US Secretary of Education to make the public aware of the cost of attendance of every college that participates in federal financial aid programs. The website contains information on the cost of attendance for first-time, full-time undergraduate students and includes the cost of various categories that contribute to the overall cost of attendance including housing; however, the federal government permits each campus who provides data to determine how it calculates the cost of housing. For example, Shasta College in Redding, California determined in 2021-2022 the cost of off-campus living was \$20,763 and Simpson

University, which resides in down the street from Shasta College, estimated the cost of off-campus living to be at \$17,253 in the same year.

As mentioned previously, the CCC and the CSU rely on the SEARS survey conducted by CSAC to determine off-campus living expenses for students living with their parents and for those living independently off campus. Every three years, CSAC surveys college students attending private and public colleges to investigate the cost of living and school-related expenses. The last survey conducted by CSAC concluded in the 2018-2019 survey and was published in November of 2019. The survey determined the average monthly cost of housing on campus was \$1,235 and the average off campus housing was \$1,244. The survey also concluded that 35% of students surveyed experienced housing insecurities.

CSAC also publishes an annual student expense budget which calculates the cost of tuition, fees, books, supplies, food, transportation, housing, and personal allowance for students living on-campus, off-campus, and with their parents. The data used to determine the expenses is derived from the California independent institutions, the CCC, the CSU, the UC, and SEARS data. According to the 2022-2023 Student Expense Budget, the cost of housing for those living independently off-campus is \$1,399 per month or \$12,051 per year.

Fair Market Estimations by HUD. HUD provided fair market rent (FMRs) for 30 metropolitan areas within California, including Los Angeles, Fresno, Sacramento and Riverside and the FMR for local area summaries for each of the 58 counties within California. AB 2491 (Cervantes) would require the CCC, the CSU, and the UC to use HUD data to estimate the cost of housing for those living independently off campus. Federal law requires the FMR to be published annually and FMR are the primary data point for determining the payment amount for public housing assistance programs. Essentially FMR represent the estimated amount of rent and essential utilities for a given area. To estimate this cost HUD uses three sources of survey data, the Decennial Census, the American Community Surveys and Random digital dialing. FMR cost estimates are supposed to be low enough to serve as many low-income families as possible and therefore may not be the most accurate data point to reflect the average cost of housing in a given region. The 2022 data for Redding, was \$954 which is much lower than the estimates per month from the College Navigator as provided by Shasta College which was \$1,730.25 per month. Whereas, in Los Angeles the HUD FMR was \$1,604 and according to College Navigator, CalState LA estimated the cost of housing at \$1,405 for the 2021-2022 academic year. Furthermore, unlike existing sources listed in Education law for housing data, HUD data does not provide the campuses the opportunity to demonstrate the cost-savings associated with procuring roommates.

Moving forward, the author may wish to engage with the CCC, the CSU, and the UC to determine if HUD data is the best depiction of housing costs in a given area, and whether this bill is necessary, given recent efforts to further provide students with information on housing costs based on regional information determined by the campus rather than the Federal Government. Perhaps amending existing Education Code Section 66014.2 to include CCC would be sufficient.

Furthermore, if the author's intention is for the cost of attendance created by this bill to be used for the determination of state financial aid, then the author should stipulate this in the bill language and should bear in mind efforts of AB 1746 (Medina and McCarty) of 2022 to reform financial aid to address the cost of accessing education while also streamlining Cal Grant in

California. AB 1746 (Medina and McCarty) of 2022 currently resides in the Assembly Appropriations Committee awaiting a hearing.

Previous legislation. SB 467 (Monning), Chapter 527, Statutes of 2019, required each campus of the CSU and requests each campus of the UC, to post information on its internet websites relative to specified estimated total cost of attendance (COA) expenses students will incur.

AB 710 (Cervantes) of 2019, would have established the Housing Cost of Attendance Act and requires an institution in the California Community Colleges (CCC), California State University (CSU), or the University of California (UC) systems and an independent and private postsecondary institution to use the specified items in its calculation of a full-time student's cost of attendance (COA). Governor Newsom vetoed this bill stating in his veto message:

“I share the goal of equipping students and their families with the most accurate and consistent information surrounding full cost of attendance across college and university campuses. However, the educational institutions affected by the bill are already providing much of this information to prospective students. In addition, this bill requires the use of data points that may not be reflective of the true costs of attendance while ignoring data that could be more informative.

Therefore, I cannot sign this bill.”

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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