

Date of Hearing: April 26, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2459 (Cervantes) – As Amended March 24, 2022

**SUBJECT:** Postsecondary education: student housing: guarantee

**SUMMARY:** Requires the California State University (CSU), the University of California (UC), independent institutions of higher education (ICCU), as specified, and private postsecondary educational institutions, as specified, that maintain student housing facilities, will guarantee, at a minimum, one year of student housing for all incoming freshman and transfer students.

**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 insure 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, CSU, and 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) Establishes the CCC under the administration of the Board of Governors of the CCC, as one of the segments of public postsecondary education in this state. The CCC shall be comprised of community college districts (EDC Section 70900).
- 5) Defines ICCUs as those nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations in this state and are accredited by an agency recognized by the United States Department of Education.
- 6) Specifies that a private postsecondary educational institution is a private entity with a physical presence in California that offers postsecondary education to the public for an institutional charge.

**FISCAL EFFECT:** Unknown

**COMMENTS:** *Purpose.* According to the author, “Increased on-campus housing for our college students allows us to ensure that our students get a successful start to their college dreams. It is essential to guarantee housing accommodations for our incoming and transfer students to help them better acclimate to a new environment and not struggle to find housing to

meet their academic goals. Addressing these basic needs is critical to ensuring that more students start college and have the opportunity to complete their degrees without facing housing insecurity.”

*The need for student housing.* According to the 2021 Public Policy Institute of California (PPIC) report, “Keeping College Affordable for California Students”, living expenses, housing, books, and food expenses have outpriced the cost of tuition. The report found that housing expenses are now the largest cost associated with attending college and is a barrier preventing many students from seeking higher education. In October 2019, the PPIC reported in “Making College Affordable”, on-campus housing at the UC made up 45% of the total cost of attendance and at the CSU, housing costs made up 53% of the total cost of attendance. In November of 2021, the Assembly Budget Subcommittee on Educational Finance (Budget Sub 2) held an informational hearing on “California Student Housing: Solutions for Improving Capacity and Affordability”. The agenda established the need for additional housing near or on campus with the following data points: 1 in 20 students at the UC, 1 in 10 students at the CSU, and 1 in 5 students at CCC reported experiencing homelessness at some point during the academic year. In 2019, the California Student Aid Commission (CSAC) published the results of the Student Expenses and Resources Survey (SEARS), which found 35% of students experienced one or more conditions of housing insecurity and established a correlation between housing insecurity and lower completion, persistence to degree, and credit attainment.

*Housing history.* The state has not traditionally had a large role in housing – this is instead left to campuses, which would pay for housing using various fees, and neighboring local communities’ buildings to meet demand. State law does not contain specific student housing capacity goals, and none of the segments’ governing boards have established systemwide goals for their share of students to be housed. Campuses set their own goals, and campus goals vary. Many campuses aim to house all interested first-year students. Some campuses aim to house first- and second-year students. In addition to single undergraduate students, university campuses typically have goals to house a certain share of graduate students and students with families.

The location of a campus plays a significant impact on the size and design of a campus housing program. Campuses with a high share of students commuting (including CCC campuses and some CSU campuses) tend to have either no on-campus housing or relatively small on-campus housing programs. Campuses with a high share of nonlocal students (including UC campuses and some CSU campuses) tend to have larger on-campus housing programs.

About two thirds of ICCU institutions offer on campus housing (59 out of 89, including satellite locations).

*Recent investment.* As part of the 2021-22 budget agreement, the state made its first substantial contribution to student housing projects—providing state General Funds of \$500 million in 2021-22, \$750 million in 2022-23, and \$750 million in 2023-24. Public community colleges and university campuses can apply for grant funds to construct new student housing or convert commercial space to student housing. This new \$2 billion investment is designed to increase capacity, expanding the inventory of student housing, particularly to help foster future enrollment growth, and affordability by reducing the cost of student housing, especially for lower-income students.

Where both the UC and the CSU have existing housing infrastructures, the CCC has historically only built housing at rural colleges. Prior to 2019, 11 community colleges had student housing programs. Almost all of these colleges were located in rural areas and had longstanding housing programs. In 2019, Orange Coast College opened a student housing facility with 800 beds. This student housing facility is the largest among the community.

*Committee comments.* In its current form, AB 2459 requires campuses with housing to guarantee, at a minimum, one year of student housing for all incoming freshman and transfer students. As noted earlier in this analysis, campuses across California's higher education segments serve different populations of local and non-local students, and have constructed student housing to meet those historical needs. While the state has made a significant investment to increase housing capacity, campuses still need to have the freedom to make decisions at their local level.

*Given these concerns, the author has proposed amendments that would remove the current provisions of the bill and instead do the following:*

- 1) Require the Offices of the Chancellor of the CSU and the Office of the Chancellor of the CCC, and request the Office of the President of the UC, to require each campus in their segment that provides student housing to post the following information on the first day of every month on both the internet website of the campus and the intraweb website associated with a student's attendance at the institution:
  - a) The campus's share of local versus nonlocal students enrolled;
  - b) Existing campus housing stock, including number of available beds;
  - c) The number of students on the campus housing waiting list, and how many students removed themselves from the waiting list since the last report;
  - d) The number of students who request on-campus housing after using up their eligibility for guaranteed housing, if available; and,
  - e) The number of incoming freshman, transfer, and international students requiring housing.
- 2) Require the Office of the Chancellor of the CSU and the Office of the Chancellor of the CCC, and request the Office of the President of the UC, to submit an annual report with the information described in subdivision (a) to the Legislature on or beginning October 15, 2023.

The author plans to amend AB 2459 in the Assembly Committee on Appropriations.

*Related and prior legislation.*

- 1) AB 1764 (Medina, 2022) establishes a reporting requirement for the CCC and the CSU, and requests the University of California UC, to collect data on student housing insecurities at each of their respective campuses, and removes the requirement for residential student housing plans to be approved by the Department of General Services' (DGS) Division of the State Architect (DSA). AB 1764 is currently pending a hearing in the Committee on Appropriations.

- 2) AB 1377 (McCarty), Chapter 571, Statutes of 2021, requires the CSU and requests the UC by July 1, 2022, to conduct a student housing assessment, by campus and create a student housing plan outlining how they will meet their projected student housing needs.
- 3) AB 306 (O'Donnell), Chapter 45, Statutes of 2021, exempts school district and community college district employee housing architectural plans from the requirement to receive approval from the Department of General Services' (DGS) Division of State Architect (DSA).
- 4) AB 161 (Ting), Chapter 43, Statutes of 2021, among other things, allocated \$500 million in one-time funds for affordable housing projects at the UC, CSU, and the CCC.
- 5) AB 128 (Ting), Chapter 128, Statutes of 2021, among other things, allocated \$4 billion in one-time funds for affordable housing projects for the UC, CSU, and the CCC.
- 6) AB 132 (Ting), Chapter 144, Statutes of 2021, among other things, allocated \$100 million to the CCC for the purpose of providing student basic needs to students including the provision of secure and stable housing to homeless and housing-insecure students.
- 7) AB 48 (O'Donnell), Chapter 530, Statutes of 2019, authorized \$15 billion for the construction and modernization of public preschool, K-12, CCC, CSU, and UC facilities to be placed on the March 3, 2020 primary ballot. The bill provisions included a requirement that the CSU and the UC conduct a five-year affordable student housing plan for each campus. AB 48 or Proposition 13 was rejected by voters with a 45% to 54% margin against the proposition.

**REGISTERED SUPPORT / OPPOSITION:****Support**

None on file

**Opposition**

None on file

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