

Date of Hearing: June 11, 2019

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 467 (Monning) – As Introduced February 21, 2019

SENATE VOTE: 37-0

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

SUMMARY: Requires each campus of the California State University (CSU) and requests each campus of the University of California (UC), to post information on its internet websites relative to specified estimated total cost of attendance (COA) expenses students' will incur. Specifically, **this bill:**

- 1) Requires each campus of the CSU and requests each campus of the UC, to post all of the following on its internet website, on or before February 1, 2020, and on or before February 1 each year thereafter:
 - a) Information about the market cost of one- and 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 COA categories, including, but not limited to, all of the following:
 - i) The estimated COA 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; and,
 - viii) A description of the data sources and methods used to calculate its estimates for each COA 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; and,
 - 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 COA 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 CSU, and requests each campus of the UC to, post the information per (1 (a-c) inclusive) on the same web pages where it posts cost estimates of institutional housing and meal plans (as required by existing law).

EXISTING LAW:

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, which includes, 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 costs for residents and non-residents (United States Code (USC), Title 20, Section 1015a).
- 2) Defines, "COA" 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; and,
 - e) Allowances for students who are engaged in work study, are incarcerated, have dependents or are disabled (20 USC Section 10871l).

State law.

- 1) Establishes the Donahoe Higher Education Act, setting forth the mission of the UC, the CSU, and the CCC; and, defines "independent institutions of higher education" as nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations in California and are accredited by an agency recognized by the United States Department of Education (Education Code (EC) Section 66010, et seq.).
- 2) Requires each campus of the CSU, and requests each campus of the UC, to post on its website, on or before February 1, 2018, and on or before February 1 each year thereafter, information about the market cost of a one-bedroom apartment in the areas surrounding that campus where its students commonly reside. Specifies that in reporting this information, the campus shall exercise due diligence, and shall 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. Requires that the information posted pursuant to this section shall be posted in the same location on the campus website where the housing cost estimates for off-campus students are posted (EC Section 66014.2).

- 3) Requires, by January 1, 2020, each campus of the UC, CSU, and CCC, each independent institution of higher education, and each private postsecondary educational institution subject to the California Private Postsecondary Education Act of 2009 that participates in federal financial aid or veterans financial aid programs, to provide students with the Financial Aid Shopping Sheet developed by the United States Department of Education (USDE) to inform admitted students or individuals who have been offered admission about financial aid award packages (EC Sections 66021.3 and 94912.5).
- 4) Defines “COA” 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 Section 66028.1).
- 5) Requires the UC Regents and the CSU Trustees to annually provide the Legislature, by February 1 of each year, 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 Section 66028.6).
- 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 Section 69503.6).
- 7) Requires, commencing with the 2018-19 award year, that each higher education institution (except the CCC), to the extent feasible, send an individualized letter to their students regarding information on their student loans; and, specifies that if an institution is not able to provide a student with estimates, the institution shall inform their students in the letter that they may view their financial aid history via the National Student Loan Data System (NSLDS) and must provide the Internet Web site link to the system (EC 69509.6).
- 8) Requires the 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; the report must identify the costs of undergraduate education, graduate academic education, graduate professional education, and research activities. Requires all four of these categories to be reported in total and disaggregated separately by specified disciplines. Additionally, existing law requires the costs to be reported on both a systemwide and campus-by-campus basis for any report submitted after January 1, 2017. 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 Section 92670).

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS: *Background.* According to The Institute for College Access and Success (TICAS) January 2019 Report, *What College Costs For Low-Income Californians*, the total costs of college are not nearly as different for students across the segments as their tuition charges might suggest. The report found that colleges with low tuition may not have the low net prices (or total COA), and colleges with high tuition may not have high net prices (or total COA).

Purpose of the measure. According to the author, “SB 467 seeks to give prospective CSU and UC students the necessary financial information that allows them to make financially responsible decisions when deciding whether to attend a CSU or UC campus”.

Student Expenses and Resources Survey (SEARS). SEARS was 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. This survey was carried out in cooperation with the CCC, the UC, the CSU, the Association of Independent California Colleges and Universities, and the California Association of Private Postsecondary Schools. CSAC administered this survey to students attending postsecondary educational institutions across the state. The survey contained questions that are considered “core” subjects, such as dependency status, expenses, resources, and housing arrangements. Due to budget constraints, the SEARS survey has not been conducted since 2006-07. The data currently available is based on the 2006-07 survey and is adjusted for inflation.

http://www.csac.ca.gov/pubs/forms/grnt_frm/studentexpensebudget.pdf

SEARS yielded data that accounted for costs and expenses across all systems of postsecondary education in California, but was not system - or campus - specific and therefore did not account for regional differences in costs. According to CSAC’s 2018-19 Student Expense Budgets, the cost of off-campus housing per month is \$1,080; CSAC estimates 2019-20 off-campus housing per month to be \$1,145.

To note, in 2017, CSAC Staff recommended to the Commission that SEARS needed to be re-established and that CSAC needed to administer a new survey. Committee Staff understands that in the fall of 2018, CSAC Staff, with the participation and support of California’s higher education segments as well as external research partners, began the process of reinstating the triennial SEARS with a pilot version of the survey, administered at the CCC.

The results of this pilot survey were used to partially inform the 2019-20 student expense budget, in conjunction with California Consumer Price Index inflationary adjustments to the 2018-19 budget.

Additionally, in the fall of 2018 and spring of 2019, CSAC will have administered the full SEARS to students at all five higher education segments (UC, CSU, CCC, private nonprofit, and private for-profit). The survey closed in early April; data will be analyzed in the spring and summer of 2019 and released in a public report in the fall of 2019. These figures will be used to build the 2020-21 student expense budget, which, due to the complex regional sampling plan involved in reinstating the survey, should be broken down by regions of the state for the first time in the survey’s history. This will give the Commission, segments and institutions, and policymakers a more focused estimate of students’ out-of-pocket costs for housing, food, transportation, and other expenses broken down by region, as well as by other demographic figures such as race, gender, and age.

College Navigator. Existing federal law requires the United States Secretary of Education to make publicly available on the College Navigator Web site (found here: <https://nces.ed.gov/collegenavigator/>) 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.

To note, federal statutes do not state how COA is to be established.

Current state practices. The CSU determines student expenses using data from the 2006-07 SEARS report; and adjusting for inflation. The CSU publishes a summary of standard student expense budgets (found here: <http://www.calstate.edu/SAS/costof attendance/documents/17-18COA.pdf>) otherwise known as the annual campus COA.

The UC distributes a COA Survey every three years to a random sample of UC students to ask about their actual indirect costs. Those survey responses are used to inform campus-specific student budgets. The total COA, or student expense budget, includes tuition and fees, room and board, books and supplies, transportation, health care, and personal expenses. The last survey (based on over 14,000 student respondents) was completed in spring of 2016; the results were released in February 2017 and used to determine UC's total COA commencing in 2017-18. According to the UC, moving forward, the COA Survey will be administered biennially rather than triennially.

Committee comments. As currently drafted, this measure, in part, requires the CSU and requests the UC to each calculate and include, at a minimum, specified items in a calculation of a student’s COA at that institution.

As described in the “SEARS” section of this analysis, CSAC is in the process of completing the SEARS Survey; data that appears to cover the various components of this measure, will be available to students, institutions of higher education, and the general public, by fall 2019, *the Committee may wish to examine if this measure is premature.*

Additionally, if the author’s goal is to ensure all students and their families are aware of total COA, *the author may wish to consider amending this measure to ensure students attending independent and for-profit institutions of higher education receive the same COA information.*

Related legislation. AB 710 (Cervantes), which is pending in the Senate Education Committee, in part, requires institutions in the CCC, CSU, the UC systems, and private postsecondary educational institutions to include certain items in their calculation of total COA for a full-time student.

Prior legislation. AB 1858 (Calderon), Chapter 671, Statutes of 2018, in part, requires, by January 1, 2020, each campus of the UC, CSU, and CCC, each independent institution of higher education, and each private postsecondary educational institution subject to the California Private Postsecondary Education Act of 2009 that participates in federal financial aid or veterans financial aid programs, to provide students with the Financial Aid Shopping Sheet developed by the USDE to inform admitted students or individuals who have been offered admission about financial aid award packages.

AB 1961 (Choi), Chapter 314, Statutes of 2018, in part, required each institution of higher learning (i. e. UC, CSU, CCC, and independent colleges and universities) with a physical presence in the state to separately list the cost of institutionally operated housing and meal plans on all internet websites and documents it provides to students for purposes of advertising or otherwise displaying the student costs associated with institutionally operated housing.

AB 3213 (Bonta) of 2018, which was held on the Assembly Appropriations Suspense File, in part, required the CSU, the UC, and independent institutions of higher education to include at a minimum, specified items, including tuition and fees, in a calculation of a full-time student's COA at that institution.

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

AB 1064 (Calderon) of 2017, which was vetoed by the Governor, in part, 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 1178 (Calderon), Chapter 448, Statutes of 2017, in part, commencing with the 2018-19 award year, required each higher education institution (except the CCC), to the extent feasible, send an individualized letter to their students regarding information on their student loans.

REGISTERED SUPPORT / OPPOSITION:

Support

Cal State Student Association (Co-Sponsor)

Opposition

None on file.

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