
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: AB 1064 **Hearing Date:** July 5, 2017
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Version: March 21, 2017
Urgency: No **Fiscal:** Yes
Consultant: Lynn Lorber

Subject: California State University: student discretionary expenses survey

SUMMARY

This bill requires the California State University (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.

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 (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. (Education

Code § 92670)

- 4) Requires the report to identify the costs of undergraduate education, graduate academic education, graduate professional education, and research activities. Existing law requires all four of these categories to be reported in total and disaggregated separately by specified disciplines. (EC § 92670)
- 5) 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 University of California. (EC § 92670)
- 6) Requires the Regents of the UC and the Trustees of the California State University (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 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. Specifically, this bill:

- 1) Requires, by January 1, 2021, and by January 1 every three years thereafter, the CSU to conduct a survey of a representative sample of the student population at each campus to determine the average student’s annual discretionary expenses, which shall not include tuition and fees, to attend the campus.
- 2) Requires discretionary expenses include, but are not limited to, all of the following:
 - a) Housing.
 - b) Food.
 - c) Textbooks.
 - d) Supplies.

- e) Course materials.
 - f) Educationally related technology.
 - g) Transportation expenses, including but not limited to, travel expenses while at school and to and from a student's permanent address.
 - h) Medical expenses.
 - i) Child care expenses.
 - j) Recreational expenses.
- 3) Requires the California State University (CSU) to exclude from the average determined pursuant to #1-2 a lack of, or a reduction in, expenses that would skew the average for at least both of the following scenarios:
- a) Support or aid provided by close family or friends, including but not limited to, free housing.
 - b) Poverty or hardship, including but not limited to, homelessness.
- 4) Requires each campus to use its average determined pursuant to #1-3, to determine the average annual total cost of attendance.
- 5) Requires each campus to post its updated average on its website within the six months immediately following completion of each campus-wide survey.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "Cost of attendance (COA) is not accurate at CSU campuses. In California, until 2007, the California Student Aid Commission (CSAC) conducted a comprehensive survey and subsequent report on student discretionary spending at California public and private postsecondary institutions. This was used as a measure to assess COA at public institutions in California. In 2007, the survey was eliminated when CSAC's budget was decreased. Any difference in COA from the cost of living where students are living during the school year is detrimental to students. For our most needy students, with no outside support, the adoption of an inaccurate COA causes a student to be ill-prepared to finance their living while attending a university, at no fault to students. Additionally, families budgeting may face sticker shock when they are faced with bills higher than initially estimated from their campus. Contrastingly, if a COA is too high a student may over-borrow leading to unnecessary loan payment at the fruition of education."
- 2) ***Student Expenses and Resources Survey (SEARS).*** SEARS was a triennial survey conducted by the CSAC to assess the financial circumstances, attendance costs, and expenses of California's college students. This survey was carried out in cooperation with the California Community Colleges, the University of California, the CSU, the Association of Independent California

Colleges and Universities, and the California Association of Private Postsecondary Schools. The California Student Aid Commission (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 Student Expenses and Resources Survey (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 2017-18 Student Budget Expense Budgets, the cost of off-campus housing per month is \$1,030.

- 3) **College Navigator.** Existing federal law 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, 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. However, the author notes that federal statutes do not state *how* the cost of attendance is to be established. <https://nces.ed.gov/collegenavigator/>
- 4) **Current Practices.** CSU determines student expenses using data from the 2006-07 SEARS report and adjusts for inflation. The CSU publishes a summary of standard student expense budget, the annual Campus Cost of Attendance. <http://www.calstate.edu/SAS/costofattendance/documents/17-18COA.pdf> While this data is provided by campus, it is based on data that does not take regional costs into consideration and therefore results in data showing the cost of *food and housing while living off campus*, for example, as follows:
 - a) \$14,502 at Channel Islands, Fullerton, Los Angeles, Northridge, San Francisco, San Jose and Sonoma.
 - b) \$13,923 at East Bay.
 - c) \$13,770 at San Bernardino.
 - d) \$13,500 at Dominguez Hills.
 - e) \$13,486 at Long Beach.
 - f) \$13,294 at Fresno and Sacramento.
 - g) \$13,293 at San Marcos.

- h) \$13,292 at Monterey Bay.
- i) \$13,134 at San Luis Obispo.
- j) \$13,061 at Bakersfield.
- k) \$13,016 at Humboldt.
- l) \$12,761 at San Diego.
- m) \$12,588 at Pomona.
- n) \$11,900 at Stanislaus.
- o) \$11,862 at Chico.

The University of California (UC) distributes a Cost of Attendance 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 cost of attendance, or student expense budget, includes tuition and fees, room and board, books and supplies, transportation, health care, and personal expenses. The most recent survey was released in February 2017, and is based on responses from over 14,000 students. According to the UC, moving forward, this survey will be administered biennially rather than triennially. <http://regents.universityofcalifornia.edu/regmeet/mar17/a1attach.pdf>

This bill essentially requires the California State University (CSU) to administer a survey to students that mirrors UC's triennial survey of students' costs, rather than relying on the Student Expenses and Resources Survey (SEARS) survey results from 2006-07, adjusted for inflation.

- 5) **Average annual expenses.** This bill requires CSU to determine and report the average student's annual discretionary expenses and the average annual total cost of attendance. **Staff recommends an amendment** to clarify that the average annual discretionary expenses are to be determined and reported by expense (housing, food, textbooks, etc), in addition to the average annual total cost of attendance.
- 6) **Related legislation.** AB 990 (Rodriguez) requires each campus of the CSU, and requests each campus of UC, to annually post on its website information about the market cost of a one-bedroom apartment in the areas surrounding the campus. AB 990 is scheduled to be heard by this Committee on July 5.

SB 307 (Nguyen) requests the UC to convene a task force, consisting of three representatives from the UC, CSU and California Community Colleges (CCC), 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 is scheduled to be heard by the Assembly Higher Education Committee on July 11.

SUPPORT

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OPPOSITION

None received

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