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## Action/Information Item

### *California Student Aid Commission*

#### Consideration of Proposed 2007-08 Student Expense Budgets

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This enclosure includes the proposed 2007-08 student expense budgets that were reviewed by the Grant Advisory Committee (GAC) at its October 20, 2006 meeting. GAC recommends approval.

**Recommended Action:** Approval of proposed 2007-08 Student Expense Budgets.

**Responsible Staff:** Paula Rockwell, Research Manager II  
Governmental Affairs and Research Division

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## PROPOSED 2007-08 NINE-MONTH STUDENT EXPENSE BUDGETS

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### Background and Methodology

As part of the Cal Grant award process, financial need is calculated for each applicant. Financial need is determined by subtracting institutional charges and the nine-month student expense budget allowance from the Expected Family Contribution (EFC). Because institutional charges and the cost of living vary over time, the California Student Aid Commission (Commission) has an established process to review these two components.

In order to ensure that need is being calculated on current information, the Commission asks participating schools to provide updated program costs each year. If a school does not provide updated costs, the Commission calculates need using the prior year's reported institutional charges.

The Commission also updates and publishes the nine-month student expense budgets that it uses to calculate financial need. (These budgets are made available to the segments of postsecondary education to use, although schools may choose to prepare their own budgets.) The expense budgets are based on data gathered from the most recent triennial Student Expenses and Resources Survey (SEARS) and updated for inflation using forecasted changes in the California Consumer Price Index (see Table 1) in non-survey years. The 2003-04 SEARS provided the expense data used in the calculation of the proposed 2007-08 student expense budgets. The Commission uses only full-time undergraduate expenses reported by single students without children to be consistent with Federal Methodology.

Table 2 illustrates average student expenses from 2003-04 through 2007-08 using the 2003-04 benchmark data from the SEARS. The proposed 2007-08 student expense budgets are also presented in the Commission's traditional format on Table 3.

**TABLE 1**  
**Selected California Consumer Price Indices (CCPI), All Urban Consumers**  
**2000-01 to 2007-08 (1982 to 1984 = 100)**

Category	Fiscal Year	Los Angeles SMSA	San Francisco SMSA	California CPI*	Annual % Change
ALL ITEMS	2000-01	174.7	185.7	178.7	4.4%
	2001-02	179.7	191.7	183.9	2.9%
	2002-03	185.0	195.3	188.7	2.6%
	2003-04	189.4	197.1	192.2	1.9%
	2004-05	197.1	200.5	198.6	3.3%
	2005-06	206.4	205.5	206.5	4.0%
	2006-07 E	213.5	209.9	212.8	3.1%
2007-08 E	220.3	213.9	218.8	6.0%	
Food	2000-01	175.5	179.1	177.1	3.8%
	2001-02	181.7	184.2	182.9	3.3%
	2002-03	184.8	187.9	186.2	1.8%
	2003-04	191.9	195.8	193.6	4.0%
	2004-05	195.4	201.5	197.8	2.2%
	2005-06	200.8	204.5	202.4	2.3%
	2006-07 E	207.3	209.7	208.5	3.0%
2007-08 E	216.6	213.9	216.2	3.7%	
Housing, Rent	2000-01	181.0	240.1	200.4	6.1%
	2001-02	192.2	260.4	214.5	7.0%
	2002-03	201.8	263.2	222.0	3.5%
	2003-04	213.4	262.2	229.5	3.4%
	2004-05	228.0	262.6	239.6	4.4%
	2005-06	241.6	264.9	249.6	4.2%
	2006-07 E	256.7	274.7	263.1	5.4%
2007-08 E	270.8	280.4	274.5	4.3%	
Apparel	2000-01	116.1	115.0	116.0	-0.4%
	2001-02	109.3	109.2	109.5	-5.6%
	2002-03	107.8	111.6	109.3	-0.2%
	2003-04	105.7	107.6	106.6	-2.5%
	2004-05	104.1	107.1	105.3	-1.2%
	2005-06	106.6	105.5	106.5	1.1%
	2006-07 E	107.0	107.3	107.3	0.8%
2007-08 E	104.7	108.5	106.2	-1.0%	
Transportation	2000-01	156.7	145.5	153.5	4.3%
	2001-02	153.1	140.7	149.5	-2.6%
	2002-03	158.8	144.7	154.6	3.4%
	2003-04	161.6	145.2	156.7	1.4%
	2004-05	170.0	152.8	164.9	5.2%
	2005-06	178.4	159.3	172.7	4.7%
	2006-07 E	178.9	161.9	173.9	0.7%
2007-08 E	177.4	160.6	172.4	-0.9%	
Recreation	2000-01	105.0	94.7	101.9	1.3%
	2001-02	107.9	93.6	103.6	1.7%
	2002-03	109.0	93.8	104.4	0.8%
	2003-04	111.8	96.4	107.1	2.6%
	2004-05	112.1	98.5	108.0	0.8%
	2005-06	114.6	101.0	110.5	2.3%
	2006-07 E	118.6	103.8	114.1	3.3%
2007-08 E	120.8	105.0	116.0	1.7%	
Education and Communication	2000-01	100.3	106.6	102.6	0.9%
	2001-02	101.7	109.1	104.3	1.7%
	2002-03	105.2	112.0	107.6	3.2%
	2003-04	109.1	114.3	111.0	3.2%
	2004-05 E	113.9	116.5	115.0	3.6%
	2005-06 E	117.2	122.4	119.1	3.6%
	2006-07 E	122.2	125.2	123.4	3.6%
2007-08 E	128.0	128.3	128.4	4.1%	
Other Goods and Services	2000-01	291.4	294.6	293.1	3.9%
	2001-02	297.3	307.2	301.2	2.8%
	2002-03	297.1	316.1	303.9	0.9%
	2003-04	300.1	325.3	308.9	1.6%
	2004-05	305.7	331.4	314.6	1.8%
	2005-06 E	316.0	342.1	325.1	3.3%
	2006-07 E	338.7	357.3	345.4	6.2%
2007-08 E	347.8	369.3	355.5	2.9%	
AVERAGE OF: Apparel, Recreation, and Other Goods & Services	2000-01			170.3	2.3%
	2001-02			171.4	0.6%
	2002-03			172.5	0.6%
	2003-04			174.2	1.0%
	2004-05			176.0	1.0%
	2005-06 E			180.7	2.7%
	2006-07 E			188.9	4.5%
2007-08 E			192.6	2.0%	

\* The CCPI are prepared by the Department of Industrial Relations for "All Items" only. All other categories are California Student Aid Commission estimates based on April 2006 data provided by the Department of Finance using weighted averages of the metropolitan areas surveyed within the state. Since 1986-87, two Standard Metropolitan Statistical Areas (SMSA) have been used in the calculation of the CCPI, weighted as follows: 68% for Los Angeles and 32% for San Francisco. The result is multiplied by a factor of 1.0023 to determine the CCPI.

\*\* E = Estimate.

TABLE 2

### Formulation of Proposed 2007-08 Nine-Month Student Expense Budgets

<b>WITH PARENTS</b>	<b>Total</b>	Books	Food & Housing	Transportation	Personal	
2003-04 SEARS: <sup>1</sup>	7705	\$1,182	3003	893	2627	
Estimated Change in 2004-05:	7916.614	1221.006	\$3,103	\$939	\$2,653	
SEARS adjusted to 2005-06:	8183.2743	1270	3204.776514	983.589492	2724.90829	
SEARS adjusted to 2006-07:	8489.07824	1310	3341.074455	990.4746184	2847.529163	
SEARS adjusted to 2007-08:	8749.31505	1388	3475.274959	981.5603469	2904.479746	
<b><i>Proposed 2007-08 Budget:<sup>2</sup></i></b>	<b>8748</b>	<b>1386</b>	<b>3474</b>	<b>990</b>	<b>2898</b>	
<b>ON-CAMPUS</b>	<b>Total</b>	Books	Food & Housing	Transportation	Personal	
2003-04 SEARS:	3839	\$1,182		\$726	\$1,931	
Estimated Change in 2004-05:	3935.068	\$1,221		\$764	\$1,950	
SEARS adjusted to 2005-06:	4072.61671	\$1,270		\$800	\$2,003	
SEARS adjusted to 2006-07:	4208.34783	\$1,310		\$805	\$2,093	
SEARS adjusted to 2007-08:	4320.96266	\$1,388		\$798	\$2,135	
<b><i>Proposed 2007-08 Budget:<sup>2</sup></i></b>	<b>4320</b>	<b>1386</b>	<b>Actual Cost</b>	<b>792</b>	<b>2142</b>	
<b>OFF-CAMPUS</b>	<b>Total</b>	Books	Food	Housing	Transportation	Personal
2003-04 SEARS:	\$12,382	\$1,182	\$2,542	\$5,383	\$991	\$2,284
Estimated Change in 2004-05:	\$12,788	\$1,221	\$2,598	\$5,620	\$1,043	\$2,307
SEARS adjusted to 2005-06:	\$13,244	\$1,270	\$2,658	\$5,856	\$1,092	\$2,369
SEARS adjusted to 2006-07:	\$13,794	\$1,310	\$2,737	\$6,172	\$1,099	\$2,476
SEARS adjusted to 2007-08:	\$14,279	\$1,388	\$2,839	\$6,438	\$1,089	\$2,525
<b><i>Proposed 2007-08 Budget:<sup>C85</sup></i></b>	<b>\$14,292</b>	<b>\$1,386</b>	<b>\$2,844</b>	<b>\$6,444</b>	<b>\$1,098</b>	<b>\$2,520</b>

Benchmark: 2003-04 Student Expenses and Resources Survey (SEARS)

NOTES:

1. Data are for full-time undergraduates attending full-year.
2. Proposed budgets rounded to be divisible by two and nine.

**TABLE 3**  
**Proposed**  
**CALIFORNIA STUDENT AID COMMISSION**  
**Nine-Month Student Expense Budgets**  
**2007- 08 Academic Year**

ALLOWANCE	WITH PARENTS	ON CAMPUS HOUSING	OFF CAMPUS HOUSING
<b>TUITION AND FEES<sup>1</sup></b>	ACTUAL INSTITUTIONAL CHARGES		
<b>BOOKS AND SUPPLIES<sup>2</sup></b>	\$1,386 PER ACADEMIC YEAR		
<b>FOOD<sup>3</sup></b> Per Month: Per Year:	\$ 386 / MO \$ 3,474 / YR	ACTUAL INSTITUTIONAL CHARGES <sup>4</sup>	\$ 316 / MO \$ 2,844 / YR
<b>HOUSING<sup>5</sup></b> Per Month: Per Year:	INCLUDED IN ABOVE		\$ 716 / MO \$ 6,444 / YR
<b>TRANSPORTATION<sup>6</sup></b> Per Month: Per Year:	\$ 110 / MO \$ 990 / YR	\$ 88 / MO \$ 792 / YR	\$ 122 / MO \$ 1,098 / YR
<b>PERSONAL / MISC<sup>7</sup></b> Per Month: Per Year:	\$ 322 / MO \$ 2,898 / YR	\$ 238 / MO \$ 2,142 / YR	\$ 280 / MO \$ 2,520 / YR
<b>CHILD / DEPENDENT CARE</b>	REASONABLE EXPENSES WITH ADEQUATE DOCUMENTATION PROVIDED BY THE STUDENT, DEPENDING UPON AGE AND NUMBER OF CHILDREN		
<b>LOAN FEES</b>	FOR STUDENT LOAN BORROWERS, ACTUAL OR AVERAGE LOAN ORIGATION AND INSURANCE FEES		
<b>TOTAL</b> , Excluding Allowances based on actual institutional charges Per Month: Per Year:	\$ 972 / MO \$ 8,748 / YR	\$ 480 / MO \$ 4,320 / YR	\$ 1,588 / MO \$ 14,292 / YR

<sup>1</sup> Includes all mandatory fees.

<sup>2</sup> The breakdown for this category is as follows: books (\$810), educational supplies (\$198), course material fees (\$180), and computer-related expenses (\$198), excluding the costs associated with the purchase of a personal computer.

<sup>3</sup> Includes food, snacks, meals on campus, household supplies.

<sup>4</sup> If contract is for less than nine months, adjustments may be made at the rate of \$358/month or fraction thereof.

<sup>5</sup> Includes dorm charges, rent, and utilities.

<sup>6</sup> Includes travel to and from parent's residence and transportation costs to and from classes and work. (e.g., bus fare, gasoline, tolls, parking.)

<sup>7</sup> Includes clothing, laundry and dry-cleaning, personal care, gifts, recreation, medical etc.

NOTE: The expense budgets shown on this table are based upon average expenses reported by students at the University of California, California State University, and California independent institutions, California Community Colleges, and private career schools in the 2003-2004 Student Expenses and Resources Survey (SEARS), adjusted for four years of inflation.