

**Information/Action Item**

***GRANT ADVISORY COMMITTEE***

Proposed 2005-06 Student Expense Budgets

---

Each year the California Student Aid Commission (Commission) adjusts the student expense budgets it uses to calculate financial need for grant applicants. The Commission does so using data from the latest available Student Expenses and Resource Survey (SEARS) along with forecasted changes in the California Consumer Price Index (CCPI). Expense data from the 2003-04 SEARS are available to determine student expense budgets for 2005-06.

***Recommended Action:*** Review the proposed 2005-06 Student Expense Budget and recommend approval by the Commission.

***Responsible Staff:*** Liisa Rohmer, Research Analyst II  
Governmental and Public Affairs Division

Karen Vogel-Henderson, Research Analyst II  
Governmental and Public Affairs Division

---

## PROPOSED 2005-2006 STUDENT EXPENSE BUDGETS

---

### 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 schools do 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 2005-06 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 2005-06 using the 2003-04 benchmark data from the SEARS. The proposed 2005-06 student expense budgets are also presented in the Commission's traditional format on Table 3.

### Recommended Action

**Commission staff recommends** approval of the 2005-2006 Nine-Month Student Expense budgets as illustrated on Table 3.

**TABLE 1**  
**Selected California Consumer Price Indices (CPI), All Urban Consumers**  
**1999-00 to 2005-06 (1982 to 1984 = 100)**

Category	Fiscal Year	Los Angeles SMSA	San Francisco SMSA	California CPI*	Annual % Change	Cumulative % Change	
						from 2000-01	from 2003-04
ALL ITEMS	1999-00	168.5	175.9	171.2	3.1%	---	---
	2000-01	174.7	185.7	178.7	4.4%	---	---
	2001-02	179.7	191.7	183.9	2.9%	2.9%	---
	2002-03	185.0	195.3	188.7	2.6%	5.6%	---
	2003-04	189.4	197.1	192.2	1.9%	7.6%	---
	2004-05 E	195.0	200.6	197.4	2.7%	10.5%	2.7%
	2005-06 E	199.9	206.1	202.3	2.5%	13.2%	5.3%
Food	1999-00	168.8	173.2	170.6	1.3%	---	---
	2000-01	175.5	179.1	177.1	3.8%	---	---
	2001-02	181.7	184.2	182.9	3.3%	3.3%	---
	2002-03	184.8	187.9	186.2	1.8%	5.1%	---
	2003-04	191.9	195.8	193.6	4.0%	9.3%	---
	2004-05 E	195.5	200.2	197.5	2.0%	11.5%	2.0%
	2005-06 E	200.2	204.4	202.0	2.3%	14.1%	4.3%
Housing, Rent	1999-00	173.2	220.5	188.8	4.9%	---	---
	2000-01	181.0	240.1	200.4	6.1%	---	---
	2001-02	192.2	260.4	214.5	7.0%	7.0%	---
	2002-03	201.8	263.2	222.0	3.5%	10.8%	---
	2003-04	213.0	262.6	229.4	3.3%	14.5%	---
	2004-05 E	227.5	265.9	240.3	4.8%	19.9%	4.8%
	2005-06 E	239.8	277.3	252.4	5.0%	25.9%	10.0%
Apparel	1999-00	116.7	115.1	116.5	-2.0%	---	---
	2000-01	116.1	115.0	116.0	-0.4%	---	---
	2001-02	109.3	109.2	109.5	-5.6%	-5.6%	---
	2002-03	107.8	111.6	109.3	-0.2%	-5.8%	---
	2003-04	105.7	107.6	106.6	-2.5%	-8.1%	---
	2004-05 E	106.2	113.0	108.6	1.9%	-6.4%	1.9%
	2005-06 E	109.8	111.7	110.7	1.9%	-4.6%	3.8%
Transportation	1999-00	150.5	139.0	147.2	4.4%	---	---
	2000-01	156.7	145.5	153.5	4.3%	---	---
	2001-02	153.1	140.7	149.5	-2.6%	-2.6%	---
	2002-03	158.8	144.7	154.6	3.4%	0.7%	---
	2003-04	161.6	145.2	156.7	1.4%	2.1%	---
	2004-05 E	164.7	150.6	160.6	2.5%	4.6%	2.5%
	2005-06 E	162.1	149.2	158.3	-1.4%	3.1%	1.0%
Recreation	1999-00	102.7	95.3	100.6	-0.3%	---	---
	2000-01	105.0	94.7	101.9	1.3%	---	---
	2001-02	107.9	93.6	103.6	1.7%	1.7%	---
	2002-03	109.0	93.8	104.4	0.8%	2.5%	---
	2003-04	111.8	96.4	107.1	2.6%	5.1%	---
	2004-05 E	111.9	97.9	107.7	0.6%	5.7%	0.6%
	2005-06 E	112.4	98.3	108.1	0.4%	6.1%	0.9%
Education and Communication	1999-00	99.5	105.6	101.7	1.1%	---	---
	2000-01	100.3	106.6	102.6	0.9%	---	---
	2001-02	101.7	109.1	104.3	1.7%	1.7%	---
	2002-03	105.2	112.0	107.6	3.2%	4.9%	---
	2003-04	109.1	114.3	111.0	3.2%	8.2%	---
	2004-05 E	111.9	115.8	113.4	2.2%	10.5%	2.2%
	2005-06 E	113.7	118.0	115.3	1.7%	12.4%	3.9%
Other Goods and Services	1999-00	280.3	283.7	282.0	7.1%	---	---
	2000-01	291.4	294.6	293.1	3.9%	---	---
	2001-02	297.3	307.2	301.2	2.8%	2.8%	---
	2002-03	297.1	316.1	303.9	0.9%	3.7%	---
	2003-04	300.1	325.3	308.9	1.6%	5.4%	---
	2004-05 E	301.8	331.4	312.0	1.0%	6.4%	1.0%
	2005-06 E	302.6	344.2	316.6	1.5%	8.0%	2.5%
AVERAGE OF: Apparel, Recreation, and Other Goods & Services	1999-00			166.4	3.3%	---	---
	2000-01			170.3	2.3%	---	---
	2001-02			171.4	0.6%	0.6%	---
	2002-03			172.5	0.6%	1.3%	---
	2003-04			174.2	1.0%	2.3%	---
	2004-05 E			176.1	1.1%	3.4%	1.1%
	2005-06 E			178.5	1.4%	4.8%	2.5%

\*California Consumer Price Indices are prepared by the Department of Industrial Relations for "All Items" only. All other categories are California Student Aid Commission estimates based on September 2004 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 California CPI, 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 2005-06 Student Expense Budgets

<b>WITH PARENTS</b>	<b>Total</b>	Books	Food & Housing		Transportation	Personal
2003-04 SEARS: <sup>1</sup>	\$7,705	\$1,182	\$3,003		\$893	\$2,627
Estimated Change in 2004-05:	\$7,848	\$1,214	\$3,063		\$915	\$2,656
SEARS adjusted to 2005-06:	\$8,051	\$1,245	\$3,210		\$903	\$2,693
<b><i>Proposed 2005-06 Budget:<sup>2</sup></i></b>	<b><i>\$8,046</i></b>	<b><i>\$1,242</i></b>	<b><i>\$3,204</i></b>		<b><i>\$900</i></b>	<b><i>\$2,700</i></b>
<b>ON-CAMPUS</b>	<b>Total</b>	Books	Food & Housing		Transportation	Personal
2003-04 SEARS:	\$3,839	\$1,182			\$726	\$1,931
Estimated Change in 2004-05:	\$3,910	\$1,214			\$744	\$1,952
SEARS adjusted to 2005-06:	\$3,958	\$1,245			\$734	\$1,980
<b><i>Proposed 2005-06 Budget:</i></b>	<b><i>\$3,960</i></b>	<b><i>\$1,242</i></b>	<b><i>Actual Cost</i></b>		<b><i>\$738</i></b>	<b><i>\$1,980</i></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:	\$12,622	\$1,214	\$2,593	\$5,491	\$1,016	\$2,309
SEARS adjusted to 2005-06:	\$13,060	\$1,245	\$2,717	\$5,754	\$1,002	\$2,341
<b><i>Proposed 2005-06 Budget:</i></b>	<b><i>\$13,068</i></b>	<b><i>\$1,242</i></b>	<b><i>\$2,718</i></b>	<b><i>\$5,760</i></b>	<b><i>\$1,008</i></b>	<b><i>\$2,340</i></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**  
**CALIFORNIA STUDENT AID COMMISSION**  
**Nine-Month Student Expense Budgets**  
***Proposed 2005-2006 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>	\$1,242 PER ACADEMIC YEAR		
<b>FOOD<sup>3</sup></b> Per Month: Per Year:	\$ 356 / MO \$ 3,204 / YR	ACTUAL INSTITUTIONAL CHARGES <sup>4</sup>	\$ 302 / MO \$ 2,718 / YR
<b>HOUSING<sup>5</sup></b> Per Month: Per Year:	INCLUDED IN ABOVE		\$ 640 / MO \$ 5,760 / YR
<b>TRANSPORTATION<sup>6</sup></b> Per Month: Per Year:	\$ 100 / MO \$ 900 / YR	\$ 82 / MO \$ 738 / YR	\$ 112 / MO \$ 1,008 / YR
<b>PERSONAL / MISC<sup>7</sup></b> Per Month: Per Year:	\$ 300 / MO \$ 2,700 / YR	\$ 220 / MO \$ 1,980 / YR	\$ 260 / MO \$ 2,340 / 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:	\$ 894 / MO \$ 8,046 / YR	\$ 440 / MO \$ 3,960 / YR	\$ 1,452 / MO \$ 13,068 / YR

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

<sup>2</sup> The breakdown for this category is as follows: books (\$729), educational supplies (\$171), course material fees (\$162), and computer-related expenses (\$180), 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 \$276/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 two years of inflation.