

Cost of Attendance Changes with FAFSA Simplification

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Trust to Join this COA Ride





Agenda



- Cost of Attendance (COA) Construction
- Basic COA Components
- Additional Cost Components
- COA Restrictions




Evaluating Financial Need

Financial Need	Remaining Need	Remaining Eligibility
COA	COA	COA
-SAI	-SAI	
	-OFA	-OFA

*For 2024-2025 Award Year, Expected Family Contribution (EFC) is renamed Student Aid Index (SAI)
Estimated Financial Assistance (EFA) is renamed Other Financial Assistance (OFA)




COA Construction



Purposes

- Realistic
- Accurate Projection
- Equitable



Principles

- Comprehensiveness
- Reasonableness
- Systematic Development
- Documentation



Setting Costs



Institutional Costs

- Tuition and fees
- Institutional housing and food



Noninstitutional Costs

- Books, course materials, supplies, and equipment
- Transportation
- Personal expenses
- Off-campus housing and food
- Utilities
- Dependent care
- Health care



Collecting Data to Set Costs



Primary
Data

Directly from Students:

- Surveys/questionnaires
- Expenditure diaries
- Personal interviews



Secondary
Data

Third-party sources:

- Published institutional data
- Faculty and staff
- Class project
- Community sources
- Government indices
- Comparisons



Disclosure Requirements



- FAFSA Simplification Act requires institutions to make publicly available COA components
- Must be displayed on any webpage discussing tuition and fees
- Schools have flexibility in determining how to provide information

[Dear Colleague Letter ID: GEN-22-15](#)

Basic COA Components



Tuition and fees



Living expenses



Books, course materials, supplies, and equipment



Transportation



Miscellaneous expenses

Basic COA Components



Tuition and Fees

HEA Part F, Section 472

For the purpose of this subchapter, the term “cost of attendance” means—

(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution;

Basic COA Components



Tuition and Fees

- Tuition cannot be unique to Title IV recipients
- Fees normally assessed to students within a category
- May include equipment and supplies if required for all students in the same category
- Up-front tuition and fee charges
- Cooperative education tuition and fees

Basic COA Components



Living Expenses

- FAFSA Simplification Act renamed “Room and Board” as “Living expenses, including food and housing”
- Statute established 6 distinct categories of students
- On-campus housing allowance must be based on greater of the average or median amount assessed to those residents



Basic COA Components



Living Expenses

- Food component of allowance must provide for three meals per day
- Food component of allowance may be greater than cost of institutional meal plan
- Food component of allowance for dependent students living at home may include three meals per day, or fewer

Basic COA Components



Living Expenses

Student Category	Allowance
Dependent students residing at home with parents	Allowance based on food and housing expenses reasonably incurred by such students Allowance may not be zero
Students without dependents living in school owned or operated housing	Housing component must be based on average or median amount assessed to residents, whichever is greater

Basic COA Components



Living Expenses

Student Category	Allowance
Students with dependents residing in school-owned or operated housing	Housing component must be based on average or median amount assessed to residents, whichever is greater
Students living off campus and not in school owned or operated housing	Must include rent or other housing costs

Basic COA Components

Living Expenses

Student Category	Allowance
Students living in on-base military housing or in housing for which the military provides a basic housing allowance	Allowance for food, but not for housing Expenses reasonably incurred by such students
All other students	Allowance based on the expenses reasonably incurred by such students for housing and food

Basic COA Components



Books, Course Materials, Supplies, and Equipment

- Different allowances must be established according to program-specific needs
- May include allowance for purchase or rental of personal computer
 - No longer required to attend at least half time



Basic COA Components



Personal Computer Allowance

- Required to have personal computer in COA
- Does not have to be a program requirement
- May be included more than once
- May be purchased outside of student's enrollment period for use while enrolled
- Policies and procedures should define conditions, amounts, and documentation requirements





Basic COA Components



Transportation

- Reasonable allowance for:
 - Getting to school, work, home, and back
 - Other travel related to a course of study
- Can include operating and maintenance costs of a car, but not purchase or lease
 - May use prevailing mileage costs

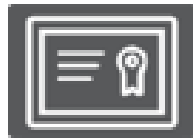
Basic COA Components



Miscellaneous Personal Expenses

- Reasonable allowance
- Examples include:
 - Clothing
 - Personal maintenance
 - Grooming aids
 - Recreation
- Moderate standard of living

Additional COA Components



License, certification or credential



Federal educational loan fees



Dependent care expenses



Disability-related expenses



Cooperative education expenses



Study abroad expenses

Additional COA Allowance



License, Certification, or Credential



- FAFSA Simplification Act requires that cost be included if required in field of study
- Cost must be incurred while student is enrolled
- FAFSA Simplification Act removed one-time limit
 - Institution may set a reasonable number of times it is included in student's COA

Additional COA Allowance



License, Certification, or Credential

- Multiple COAs required
- School may use actual or average costs
 - If average used, school must determine reasonable basis for the amount used
- Examples include:
 - Teacher certification required by state;
 - License to practice as physical therapist;
 - Examination fee for taking bar exam; and
 - Travel expenses for interviews for medical residency required for licensure
- Documentation



Additional COA Components



Federal Educational Loan Fees

- Actual or average cost
- Required for any Direct Loan borrowed
- FAFSA Simplification Act eliminated option to include nonfederal educational loan fees



Additional Cost Components



Dependent Care

- Use *reasonable* costs in the community
- Necessary for the student to attend class, study time, field work, or internship, or for commuting time
- Dependent(s) included in household size
- Documentation
- Exception to school policy is a PJ decision

Additional Cost Components



Disability-Related Expenses

- *Reasonable* incurred expenses related to disability
- Not provided for by other assisting agencies
- Americans with Disabilities Act (ADA) defines many types of disabilities
- Documentation



Additional COA Components



Cooperative Education

- Credit-bearing academic program combining professional work experience with academic research and coursework
- May include *reasonable* costs associated with employment
- Documentation

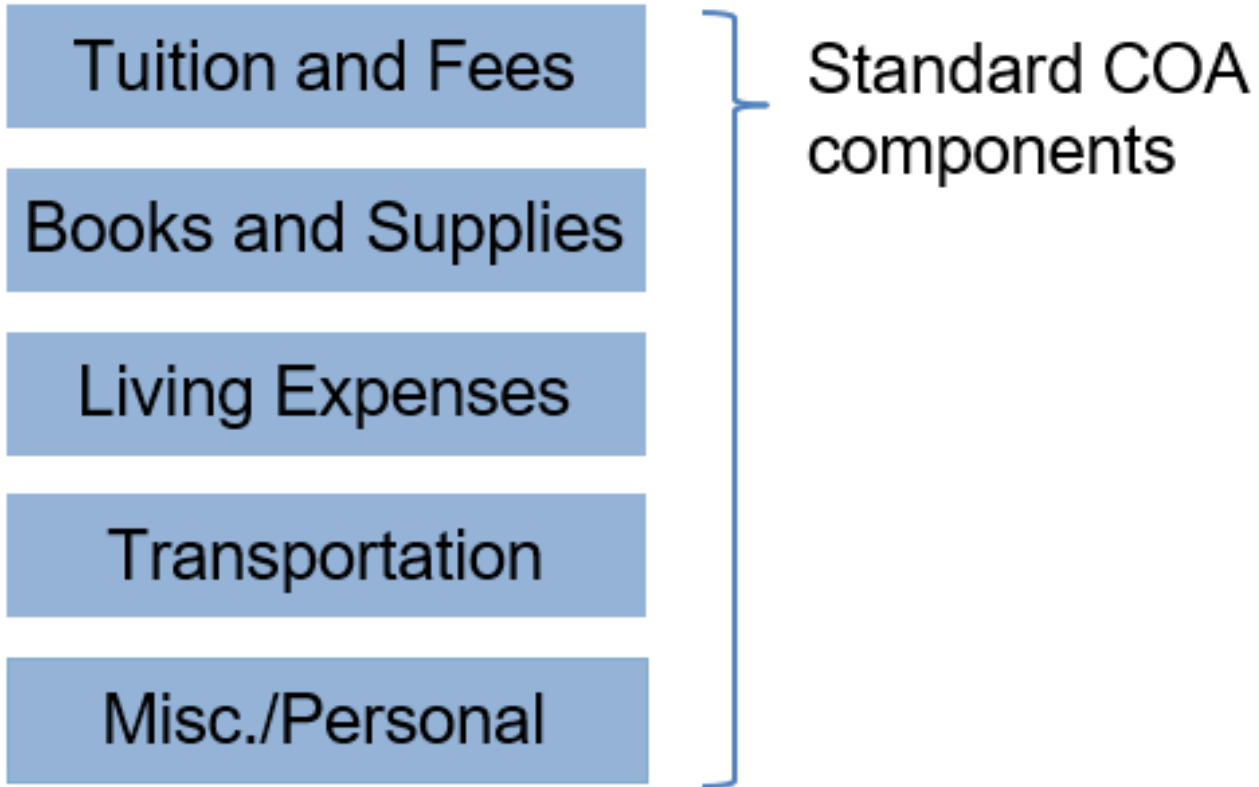
Additional COA Components



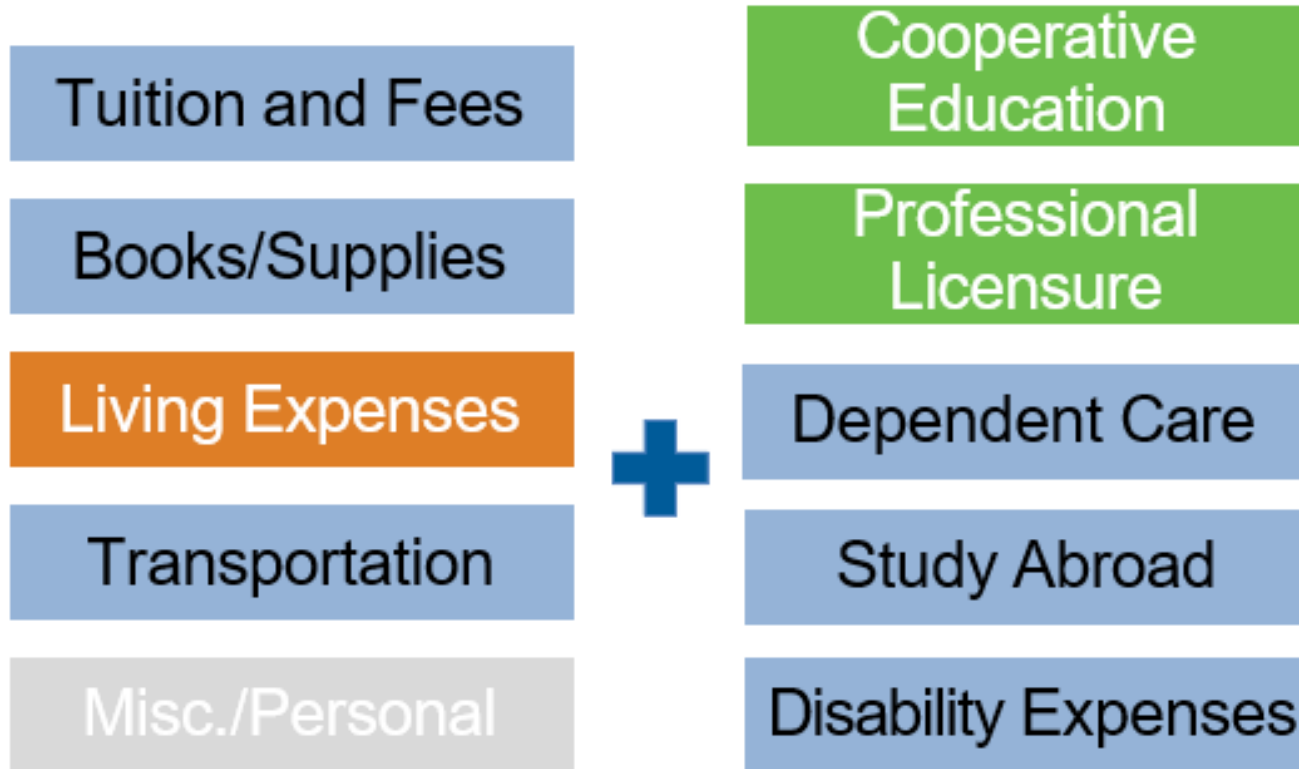
Study Abroad

- Approved for credit by home institution
- *Reasonable* costs associated with study abroad experience
- Documentation

COA Restrictions



COA Restrictions – Less Than Half Time





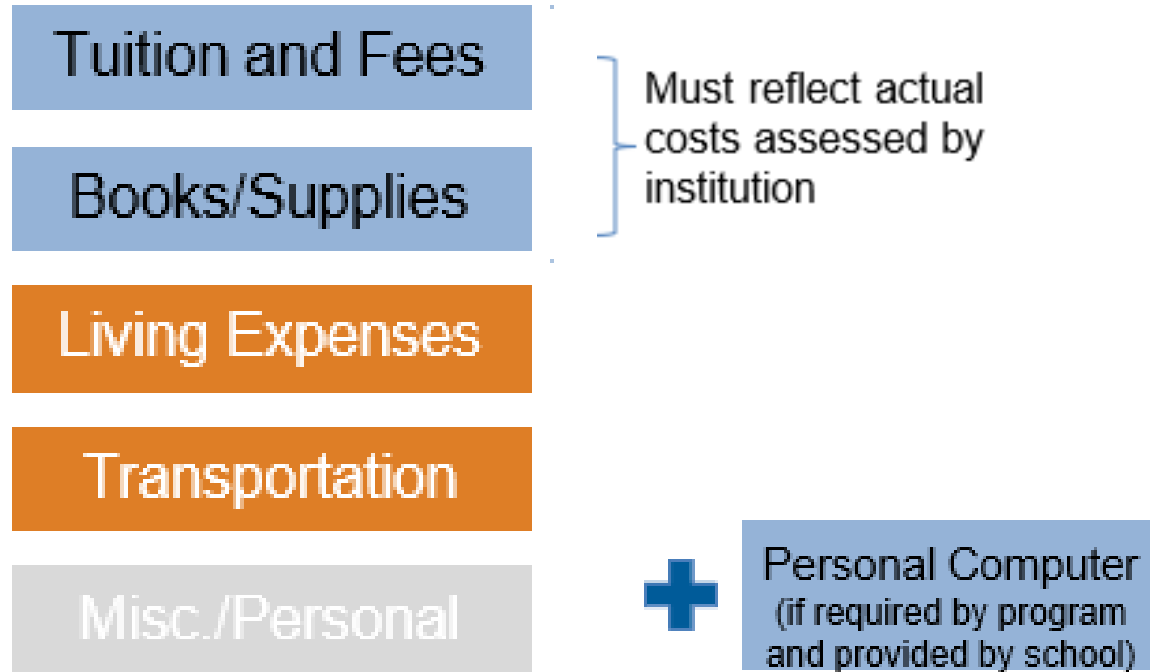
COA Restrictions – Less Than Half Time

Living Expenses

- *At option* of institution
 - Not more than three semesters (or equivalent)
 - Not more than two *consecutive* semesters



COA Restrictions – Correspondence Study



COA Restrictions – Correspondence Study

Living Expenses

Transportation

Only if incurred during
period of on-site
residential training



COA Restrictions – Incarcerated Students

Tuition and Fees

Books/Supplies

Room/Board

Transportation

Misc./Personal



Professional
Licensure



Resources

College Board Living Expenses <https://professionals.collegeboard.org/higher-ed/financial-aid/living-expense/9-month>

College Board Housing, Transportation, Miscellaneous,
<https://professionals.collegeboard.org/higher-ed/financial-aid/living-expense>

Consumer Price Index <https://www.bls.gov/cpi/>
CPI September 2023 Example <https://www.bls.gov/cpi/tables/supplemental-files/>

Dear Colleague Letter ID DCL ID: GEN-22-15
<https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2022-11-04/fafsar-simplification-act-changes-implementation-2023-24>

Department of Education Federal Student Aid GENERAL-23-63 Key Terms, Definitions, and Systems Related to FAFSA Simplification and FUTURE Acts (Updated Aug. 25, 2023) https://fsapartners.ed.gov/knowledge-center/library/electronic_announcements/2023-08-07/key-terms-definitions-and-systems_related-fafsa-simplification-and-future-acts-updated-aug-25-2023



Resources

HUD Housing Fair Market Rent Documentation System
<https://www.huduser.gov/portal/datasets/fmr.html>

Example of HUD Housing Fair Market Rent Documentation System Orange County Search
https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024summary.odn

IRS Transportation & Miscellaneous Expenses <https://www.irs.gov/businesses/small-businesses-self-employed/national-standards-food-clothing-and-other-items>

NASFAA Monograph: Developing the Cost of Attendance (HEA 1965 p. 21-2)3
https://www.nasfaa.org/uploads/documents/COA_Monograph_August_2023.pdf

Thelin, J. (2019). *A History of American Higher Education* (3rd ed.). Johns Hopkins University Press.



Questions



Thank You