

# Cost of Attendance Changes with FAFSA Simplification

May 23 2024



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## **Trust to Join this COA Ride**







# Agenda

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





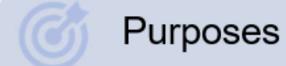
## **Evaluating Financial Need**

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**



Realistic

Accurate Projection

Equitable



Comprehensiveness

Reasonableness

Systematic Development

Documentation





## **Setting 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



- 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





## General Concepts for Developing Budgets

Part F, Section 472 of the Higher Education Act (HEA) of 1965, as amended, identifies costs that may be included (8) for a student with one or more dependents, an allowance based on the estimated actual expenses incurred for such dependent care, based on the number and age of such dependents, except that-(A) such allowance shall not expend the reasonable cost in the community in which such student resides for the kind of care provided, and

(fi) the period for which dependent care is required includes, but is not limited to, class-time, shuly-

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Section 472 of the HEA, as amended, defines the cost of attendance components

#### (a) In peneral

For the purpose of this subchapter, the term 'cost of attendance' means-

(1) below and fees normally assessed a student carrying the same academic portition as determined by the mothution;

(2) an allowance for books, course materials, supplies, and equipment, which shall include all such course of soft such students in the same course of stoty, nicluding a suscensible allowance for the documented rental or uplined purchase of a personal computer, as determined by the natiodain;

(2) an allowance for transportation, which may include transportation between campus, residences, and place of earl, as determined by the indiffusion.
(6) an allowance for misselfuneous personal expenses, for a student attenting the indiffusion on at least.

a half-time basis, as determined by the institution;
(5) an allowance for hung expenses, including food and housing code, to be incurred by the student

afferding the mathbox on all least a half-time basis, as determined by the mathbox, which shall include: (Al) for a student electing mathbox overed or operated food services, such as board or meal

plans, a standard allowance for such services that provides the equivalent of three meals each day.

(B) for a student not electing institutionally owned or operated food services, such as board or meal; plans, a standard allowance for purchasing food off campus that provides the equivalent of three meals each day.

(C) for a student without dependents residing in institutionally owned or operated housing, a standard allowance determined by the institution based on the average or median amount assessed to such residents for housing charges, whichever a greater.

(C) for a student with dependents residing in institutionally cered or operated housing, a standard absolute determined by the institution based on the average or median amount assessed to such residents for housing charges, whotherer is greater.

(C) for a student living off campus, and not in institutionally owned or operated housing, a standard allowance for rent or other housing costs;

(f) for a dependent student reoding at home with parents, a standard allowance that shall not be pero determined by the natificiar.

(G) for a student living in housing located on a military base or for which a basic allowance is provided under section 400(b) of little 37, a standard allowance for food based upon such student's choice of purchasing food on campus or off campus (lidetermined respectively in accordance with subparagraph (A) or 300, but not for housing costs; and

(H) for all other students, an allowance based on the expenses reasonably incurred by such students for housing and food;

(6) for a student engaged in a program of study by correspondence, only fution and face and, if mount, books and supplies, thanks, and housing and food costs incurred specifically in fulfilling a required period of resolution for any fulfilling a required.

(7) for a confined or incorporated student, only tution, fees, books, course materials, supplies, egiptionent, and the cool of obtaining a license, certification, or a first professional credential in accordance eith paragraph (14);

(8) for a student enrolled in an academic program in a program of study abroad approved for credit by the subsect's home installation, reasonable content automatical with such study (as determined by the institution at which such student is enrolled).









Tuition and fees



Living expenses



Books, course materials, supplies, and equipment



Transportation



Miscellaneous expenses







#### **Tuition and Fees**

HEA Part F, Section 472

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

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







#### **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







- 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











- 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







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







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







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





# 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









## 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









## 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







## 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



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





#### **COA** Restrictions

**Tuition and Fees** 

Books and Supplies

Living Expenses

Transportation

Misc./Personal

Standard COA components





#### COA Restrictions – Less Than Half Time

**Tuition and Fees** 

Books/Supplies

Living Expenses

Transportation

Misc./Personal

Cooperative Education

Professional Licensure

**Dependent Care** 

Study Abroad

Disability Expenses





#### COA Restrictions – Less Than Half Time

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





## COA Restrictions – Correspondence Study

Tuition and Fees

Books/Supplies

Living Expenses

Transportation

Misc./Personal

Must reflect actual costs assessed by institution



Personal Computer (if required by program and provided by school)





## 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 <a href="https://professionals.collegeboard.org/higher-ed/financial-aid/living-expense/9-month">https://professionals.collegeboard.org/higher-ed/financial-aid/living-expense/9-month</a>

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

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

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

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) <a href="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">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</a>





#### Resources

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

Example of HUD Housing Fair Market Rent Documentation System Orange County Search <a href="https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024\_code/2024summary.odn">https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024\_code/2024summary.odn</a>

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

NASFAA Monograph: Developing the Cost of Attendance (HEA 1965 p. 21-2)3 <a href="https://www.nasfaa.org/uploads/documents/COA">https://www.nasfaa.org/uploads/documents/COA</a> Monograph August 2023.pdf

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





# Questions







# Thank You