

National Association of Student Financial Aid Administrators

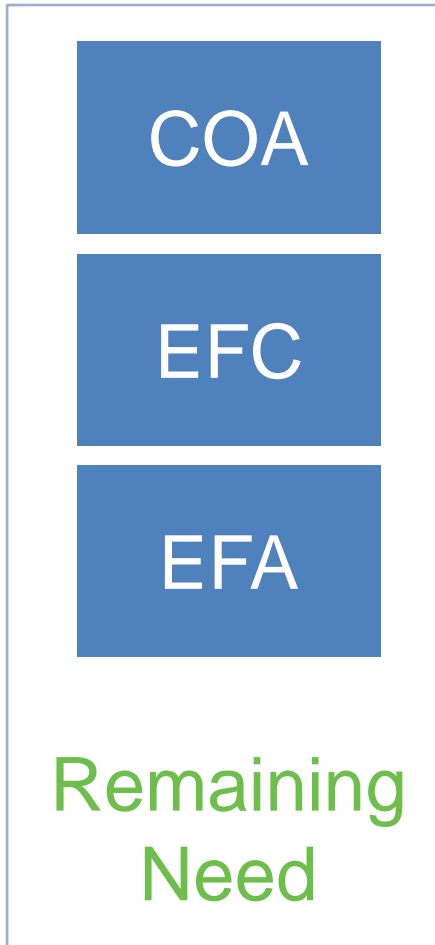
Overview of Cost of Attendance A NASFAA Authorized Event*

Presented by
[Name of Presenter/Association]
[Location]
[Date], 2023

Agenda

- COA Construction
- Basic COA Components
- Additional Cost Components
- COA Restrictions
- Non-Title IV Effect on COA

Evaluating Financial Need



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

General Concepts for Developing Budgets

- Part F, Section 472 of the Higher Education Act of 1965 (HEA), as amended, identifies costs that may be included

(9) 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 exceed the reasonable cost in the community in which such student resides for the kind of care provided; and
(B) the period for which dependent care is required includes, but is not limited to, class-time, study-

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

(a) In general

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;
- (2) an allowance for books, course materials, supplies, and equipment, which shall include all such costs required of all such students in the same course of study, including a reasonable allowance for the documented rental or upfront purchase of a personal computer, as determined by the institution;
- (3) an allowance for transportation, which may include transportation between campus, residences, and place of work, as determined by the institution;
- (4) an allowance for miscellaneous personal expenses, for a student attending the institution on at least a half-time basis, as determined by the institution;
 - (A) for a student electing institutionally owned 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 is greater;
 - (D) for a student with 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 is greater;
 - (E) 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 residing at home with parents, a standard allowance that shall not be zero determined by the institution;
 - (G) for a student living in housing located on a military base or for which a basic allowance is provided under section 403(b) of title 37, a standard allowance for food based upon such student's choice of purchasing food on-campus or off-campus (determined respectively in accordance with subparagraph (A) or (B)), 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 tuition and fees and, if required, books and supplies, travel, and housing and food costs incurred specifically in fulfilling a required period of residential training;
- (7) for a confined or incarcerated student, only tuition, fees, books, course materials, supplies, equipment, and the cost of obtaining a license, certification, or a first professional credential in accordance with paragraph (14);
- (8) for a student enrolled in an academic program in a program of study abroad approved for credit by the student's home institution, reasonable costs associated with such study (as determined by the institution at which such student is enrolled);

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Basic COA Components



Tuition and fees



Living expenses



Books, course materials, supplies, and equipment



Transportation



Miscellaneous expenses

Basic COA Components



Tuition and Fees

HEA 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

- 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 Allowances

New!



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 Components



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

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

Living Expenses

- *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

Must reflect actual costs assessed by institution

Living Expenses

Transportation

Misc./Personal



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

Non-Title IV Aid Effect on COA

Tuition and Fees



EFA

Books/Supplies

Offset to a specific COA component

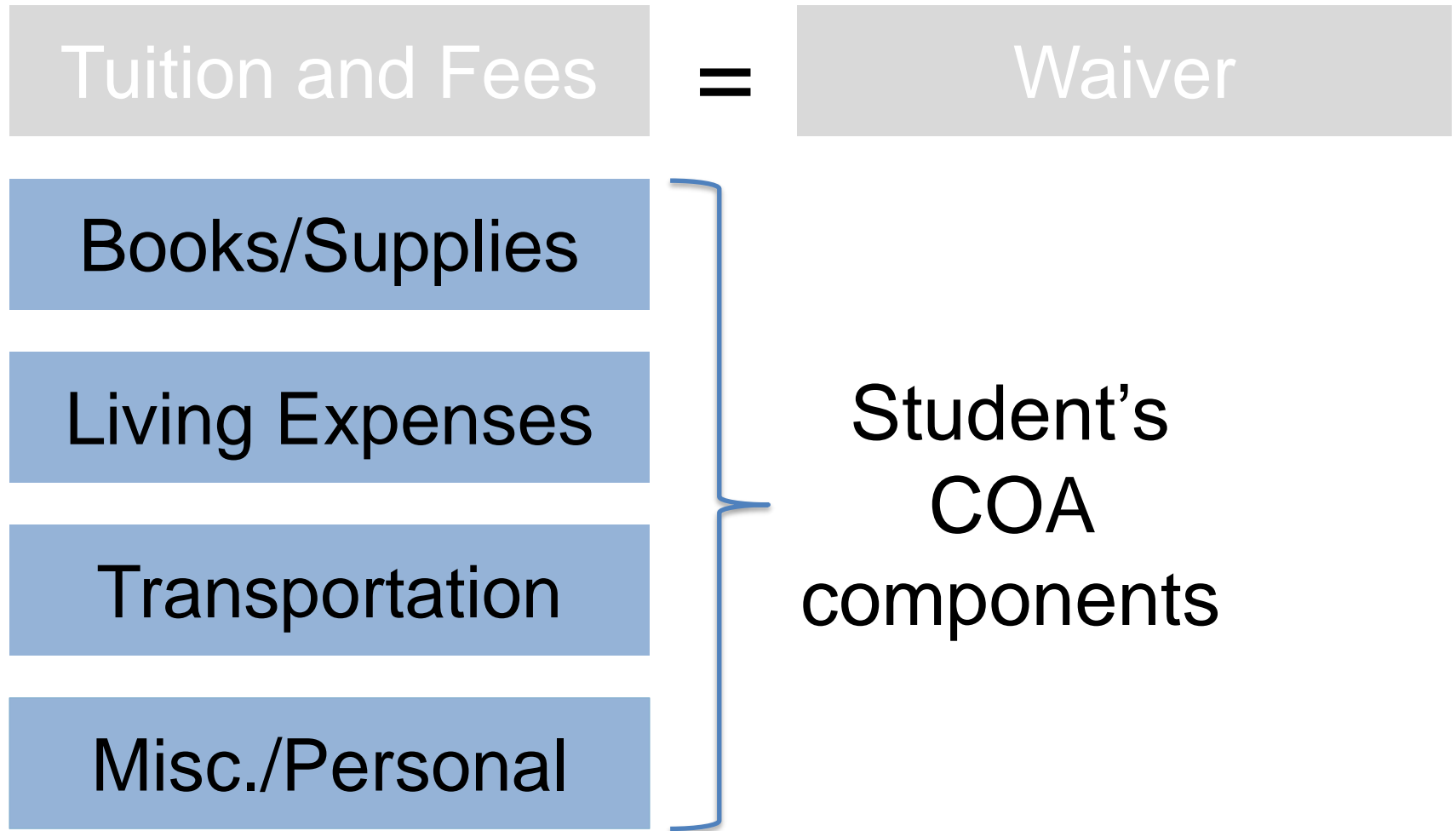
Living Expenses

- Scholarship
- State aid
- NOT prepaid tuition plans

Transportation

Misc./Personal

Non-Title IV Aid Effect on COA



Non-Title IV Aid Effect on COA

Tuition and Fees

Books/Supplies

Living Expenses

Transportation

Misc./Personal

Waiver (option 1)



Non-Title IV Aid Effect on COA

Tuition and Fees

Books/Supplies

Living Expenses

Transportation

Misc./Personal

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Waiver (option 2)



To what extent do you expect a student to have a roommate or roommates in order to reduce costs?

Does your school reduce the COA or package the tuition discount or waiver as estimated financial assistance (EFA)? Why is it handled this way?

In your opinion, why is equity a principle of the student budget construction process?

Agenda

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