NASFAA's Webinar
The New Cost of Attendance
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NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

The New Cost of Attendance

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What changed?

- Department may now regulate the cost of attendance, except for tuition and fees, and may choose to do so in the future to provide clarity in this area.
- Expands existing consumer information requirements by explicitly stating that each institution must make COA information publicly available on its website.
  - Must include a list of all COA elements and must appear on any portion of the website that describes tuition and fees.

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What changed?

- Language regarding costs for rental or purchase of equipment, materials, or supplies has moved out of the definition of "tuition and fees" and into a broader definition of "books, course materials, supplies, and equipment."
- Transportation expenses may include transportation between campus, residences, and a student's place of work.
- "Room and board" are now known as "food and housing," although the meaning of the terms remains the same. Food and housing are grouped as "living expenses."

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What changed?

- Living expense categories now break out costs associated with specific housing and food situations and require standard allowances within certain categories, such as on or off campus and with or without a meal plan.
- Institutions may no longer include loan fees for non-Federal student loans borrowed by students.
- The costs of obtaining a license, certification, or first professional credential are no longer restricted to a one-time allowance.

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What changed?

- "Course materials" and "the cost of obtaining a license, certification, or a first professional credential" were added to the types of expenses that an institution may include in a confined or incarcerated individual's COA.
- The types of expenses that an institution may include in the COA for a student who is enrolled less than half time has been broadened to include components not otherwise prohibited by the law.
  - An allowance for students in work related to a cooperative education program is permissible, but miscellaneous personal expenses are not. See HEA Sec. 472 for more information.

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What changed?

- Food allowance must provide the equivalent of at least three meals per day
- Per ED's November DCL, "on campus" includes contracted food service through a third party
- On-campus housing allowance must be greater of average or median costs assessed
- Must be calculated separately for students with dependents and students without dependents allowance for students living at home w/ parents cannot be zero (codifying longstanding ED guidance)

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Special Populations

Correspondence Programs

- Must include tuition and fees and, if required, books, course materials, supplies, and equipment.
- Can include travel, housing, and food costs incurred specifically for a period of residential training.

Incarcerated Students

- Can only include tuition and fees, books, course materials, supplies, and equipment and the cost of obtaining a license, certification or a first professional credential.

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Special Populations

Less Than Half Time

- Must include any components (tuition and fees; books, course materials, supplies, and equipment; and transportation) normally applied to students who are enrolled less than half-time, along with any other components (disability expenses, etc.) that are not expressly prohibited for less than half-time students (e.g., miscellaneous personal expenses).
- May also include an allowance for living expenses, including food and housing costs, for up to three semesters, or the equivalent, with no more than two semesters being consecutive.

Distance Education

- No distinction may be made with respect to the mode of instruction in determining costs.

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Delving Into the Nuances

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Can we include board exam costs in the student's COA?

If the board exam is required for the student to obtain the licensure, certification, or first professional credential for employment in the student's field of study, you MUST include it if the cost occurs during the period of enrollment.

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Can a school include Books, Course Materials, Supplies, and Equipment in Tuition and Fees?

Yes, if the required conditions of 34 CFR 668.164(c)(2) are met.

Schools can provide it below competitive market rates, by the 7th class day, or the BSE are not available elsewhere.

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Are we required to use the new terms for the COA components?

There is no immediate requirement for 23-24. However, the ED expects institutions to being the process of implementing new nomenclature as soon as possible.

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What are the requirements around publishing the COA on your website?



"Institutions must make publicly available on their website a list of all the elements of COA and disclose such elements on any portion of their website describing tuition and fees."



Anytime you reference dollar amounts for tuition and fees, you must also disclose the dollar amounts associated with all elements of the respective COA.

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Can car insurance be included in the COA?

- It depends: If public transportation is not readily available, and the student(s) is living off campus – yes, you can include the costs of operating and maintaining a car (e.g., gas, oil, license, insurance, repair).
- The COA may never include the cost of purchasing or leasing.
- If public transportation is available and/or the student lives on campus, car maintenance is not appropriate to automatically include.
- It could be included using PJ.

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Should we include Plus loan fees in the COA?

This is a must!

"SEC. 472. [20 U.S.C. 1087LL] COST OF ATTENDANCE.
For the purpose of this subchapter, the term "cost of attendance" means-
***
(13) for a student who receives a Federal student loan made under this subchapter or any other Federal law, to cover a student's cost of attendance at the institution, an allowance for the actual cost of any loan fee, origination fee, or insurance premium charged to such student or the parent of such student on such loan, or the average cost of any such fee or premium, as applicable;"

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Which cost components must be included up front when constructing the cost of attendance?

- Tuition and fees;
- Books, course materials, supplies, and equipment (including the documented rental or purchase of a personal computer; see below);
- Living expenses (including together both housing and food);
- Transportation;
- Miscellaneous personal expenses;
- Federal student loan fees if the student is receiving federal loans of any kind (Title IV or otherwise); and
- Professional licensure, certification, or a first professional credential costs if the academic program leads to a professional licensure, certification, or credential.

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Which cost components must be included upon request when constructing the cost of attendance?

- Dependent care;
- Disability-related expenses;
- Study abroad expenses; and
- Cooperative education costs.

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What are the COA cost components for less than half time students?

- Tuition and fees;
- Books, course materials, supplies, and equipment;
- Transportation;
- Federal student loan fees if the student is receiving federal loans of any kind (Title IV or otherwise); and
- Professional licensure, certification, or a first professional credential costs if the academic program leads to a professional licensure, certification, or credential; and
- Dependent care, disability-related expenses, study abroad expenses, and cooperative education costs (if applicable upon request).

Note: Food and housing **may** be included for a less-than-half-time student up to three semesters, or the equivalent, with no more than two semesters being consecutive, if the student has such costs. Miscellaneous personal expenses cannot be included for less-than-half-time students.

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Are we required to include the cost of a personal computer in the COA?

- Yes, if it is documented according to the school's own policy for documenting the rental or purchase of a personal computer.
- How the school produces that allowance and how it documents the rental or purchase of the personal computer is entirely up to the school, if it reasonably reflects the student's computer cost.

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Considerations for personal computer inclusion in the COA…

- The computer allowance must be based on the reasonable costs for the documented rental or purchase of a computer.
- The computer does not have to be required by the student's program of study; it just needs to be educationally related.
- The computer may be purchased in the summer for use during the upcoming period of enrollment.
- A student can receive a computer allowance more than once if the school's COA policy allows for it; this limit is set by the school.
- The computer allowance is no longer limited to half-time students.
- The school might have a different COA for the first year of the program versus the remaining years of the program.

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How do we determine median on-Campus housing costs when formulating the COA?

- The housing component of the COA for students living in institutionally owned or operated housing (or institutionally contracted housing) must be based on the *average or median* amount assessed to residents, whichever is greater.
- Applies to for both students with dependents and students without dependents living in on-campus housing (i.e., they are now separate cost components).
- Median costs could be based on prior year data, current year estimates, or some other reasonable methodology consistently applied to all appropriate students.
- Schools are not prohibited from maintaining separate categories of students within groups defined in the statute.

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Median Cost Determination Example

Schools may take the median or average cost for the specific type of housing that the student is using rather than using the average or median of all institutionally provided food and housing.

If one type of housing (senior dorms with single rooms) costs $10,000 per year and another (freshman dorms with double occupancy) costs only $5,000, then the school would take the median or average *of the specific type of housing* rather than all the institutionally offered housing that is offered across the entire institution." **This method would "effectively allow a school to use 'actual costs' by specific housing type."**

Is there a limit on the number of times the cost of a license, certification, or professional credential may be included in the COA?

No. However, in Dear Colleague Letter GEN-22-15, the U.S. Department of Education (ED), states that an institution "may set a reasonable limit on the number of *attempts* allowed to be included in the student's COA."

How do we determine the COA allowance for three meals per day?

The food allowance can include actual or average costs and can be determined in a variety of ways, including but not limited to:

Using existing meal plan costs that reasonably reflect the costs incurred by students or categories of students:

Surveying the student population, or categories within the student population;

Using local, regional, or national governmental data to determine food costs in the school's geographical area; or

Any other reasonable methodology, as determined by the institution.

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Can we use our 21-meal-plan cost for both our on-campus and off-campus students?

- **It depends.** The cost component must reasonably reflect the costs incurred by a group of students within a cost component.

- If the school's on-campus 21-meal-plan cost accurately reflects what off-campus students pay for food, then using the 21-meal-plan cost would seem to be an appropriate way to establish the off-campus food allowance. However, if the 21-meal-plan cost does not accurately reflect what off-campus students pay for food, then the school will need to come up with another way of constructing that cost component, such as surveying off-campus students or using some other method.

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What if we don't offer a meal plan that includes three meals per day?

- The school will have to produce a reasonable methodology for estimating those costs.
- As example, it might extrapolate a figure using an existing meal plan that represents what most students incur for food. For example, the school could calculate the cost per meal under its existing meal plan and then multiple that per-meal cost by 21.
- The school also could choose to survey its students to establish the allowance, or to use any other reasonable method at its disposal.

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Can we still use different food allowances for different categories of students, such as on-campus and off-campus students?

Yes, if that is what it takes to accurately reflect the food costs of on-campus versus off-campus students at the equivalent of three meals per day.

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Are we required to document how we calculated the food allowance?

Yes. Whatever method the school uses must be documented in its policies and procedures. This should include how the school developed the method and how the food allowance reasonably reflects food costs incurred by its students, or within categories of students.

Note: If students have special dietary needs for medical, religious, or personal reasons (e.g., diabetic, kosher, vegetarian, etc.), these requirements can be addressed using professional judgment (PJ) on a case-by-case basis with documentation.

Are schools required to include living expenses for students who live at home?

Yes. Room and board is a required cost of attendance (COA) component under the Higher Education Act of 1965, (HEA) as amended. Section 472 [20 USC 1087ll] of the HEA states:

§ 1087ll. Cost of attendance [HEA § 472]
"For the purpose of this subchapter and part C of subchapter I of chapter 34 of title 42, the term "cost of attendance" means-
***
(3) an allowance (as determined by the institution) for room and board costs incurred by the student which-
(A) shall be an allowance determined by the institution for a student without dependents residing at home with parents;…
(

Can the summer COA include periods for modules for which the Student is not enrolled?

No. According to guidance NASFAA has received from the U.S. Department of Education (ED), for such a combined summer term, a student's cost of attendance (COA) must reflect only the costs that are associated with the modules in which the student is enrolled (including registration and pre-registration).

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Additional Questions?

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Thank you!

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