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Disclaimer

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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

<table>
<thead>
<tr>
<th>Financial Need</th>
<th>Remaining Need</th>
<th>Remaining Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>COA</td>
<td>COA</td>
<td>COA</td>
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<tr>
<td>-SAI</td>
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<td>-OFA</td>
<td>-OFA</td>
<td></td>
</tr>
</tbody>
</table>

*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

Directly from Students:
- Surveys/questionnaires
- Expenditure diaries
- Personal interviews

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.
Basic COA Components

- Tuition and fees
- Living expenses
- Books, course materials, supplies, and equipment
- Transportation
- Miscellaneous expenses
Basic COA Components

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

<table>
<thead>
<tr>
<th>Student Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent students residing at home with parents</td>
<td>Allowance based on food and housing expenses reasonably incurred by such students. Allowance may not be zero.</td>
</tr>
<tr>
<td>Students without dependents living in school owned or operated housing</td>
<td>Housing component must be based on average or median amount assessed to residents, whichever is greater.</td>
</tr>
</tbody>
</table>
## Basic COA Components

### Living Expenses

<table>
<thead>
<tr>
<th>Student Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students with dependents residing in school-owned or</td>
<td>Housing component must be based on average or median amount assessed to</td>
</tr>
<tr>
<td>operated housing</td>
<td>residents, whichever is greater</td>
</tr>
<tr>
<td>Students living off campus and not in school owned or</td>
<td>Must include rent or other housing costs</td>
</tr>
<tr>
<td>operated housing</td>
<td></td>
</tr>
</tbody>
</table>
Basic COA Components

### Living Expenses

<table>
<thead>
<tr>
<th>Student Category</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students living in on-base military housing or in housing for which the military</td>
<td>Allowance for food, but not for housing</td>
</tr>
<tr>
<td>provides a basic housing allowance</td>
<td>Expenses reasonably incurred by such students</td>
</tr>
<tr>
<td>All other students</td>
<td>Allowance based on the expenses reasonably incurred by such students</td>
</tr>
<tr>
<td></td>
<td>for housing and food</td>
</tr>
</tbody>
</table>
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

- 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

- 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

- 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

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
- 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


Consumer Price Index [https://www.bls.gov/cpi/](https://www.bls.gov/cpi/)
CPI September 2023 Example [https://www.bls.gov/cpi/tables/supplemental-files/](https://www.bls.gov/cpi/tables/supplemental-files/)


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


NASFAA Monograph: Developing the Cost of Attendance (HEA 1965 p. 21-2)

Questions
Thank You