

Cost of Attendance (Budget)

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What is Cost of Attendance?

- Established in Higher Education Act of 1965
 - Section 472
- Establish a limit to the total aid (federal and state) a student may receive
- Component of Pell Grant Calculation
- Used to establish a student's financial need (for TEACH Grant, Campus-Based Programs, and Direct/Direct PLUS Loans) :
 - Cost of attendance (COA)
 - Expected family contribution (EFC)
 - = Need

Purpose of COA

- Develop realistic budgets
- Accurate cost projections
- Equity
- Not an enrollment management tool
- Separate budgets for different categories of students

Establishing COA

- Institutional costs
 - Fixed and set by school (e.g., tuition and fees)
- Non-institutional costs
 - Not set by school (e.g., off-campus room and board)
 - Reflect local market conditions and vary by location
- Schools may use actual or average amounts for both institutional/non-institutional costs

Establishing COA

- General concepts
 - Federal Pell Grant & Iraq & Afghanistan Service Grants
 - Always use full-time, full-year COA
 - All other Title IV programs
 - Typically based on full-time, full-year COA
 - Adjusted for summer as needed
 - Adjusted for less-than-full-time enrollment and less-than-full-year attendance

Collecting Data to Set Costs

- Primary sources
 - Sensitive to specific student circumstances and provide data on actual student expenses
 - Example: student surveys
- Secondary sources
 - Verify student data and validate final budget figures
 - Examples: published sources, faculty/staff, community sources, and various indices
- Schools should review and update COA data annually

Allowable Costs

COA Components Include:

- Tuition & Fees
- Books & Supplies
- Room & Board
- Transportation
- Personal or Miscellaneous Expenses

Allowable Costs

- Tuition and Fees
 - Amounts normally assessed students carrying same academic workload, as determined by institution
 - May include costs for rental or purchase of equipment, materials, or supplies required of all students in same program of study
 - Can use the same average amount for all students instead of figuring actual tuition and fees for individual students
 - Cannot combine the COA figures for each separate enrollment status and award aid to a student on the basis of the average COA

Allowable Costs

- Room & Board
 - Students without dependents living at home with parent(s)
 - Students without dependents living in institutionally-owned or operated housing
 - Students living in on-base military housing or in off-base housing for which a military basic housing allowance is provided, COA component shall include allowance for board only
 - All other students
 - For less-than-half-time students, may be included for up to 3 semesters, of which not more than 2 may be consecutive

Allowable Costs

- Books and Supplies
 - Actual or estimated amount for the aid period
- Transportation
 - Gas, maintenance, bus fare
 - Not included for the purchase of a vehicle
- Miscellaneous & Personal Expenses
 - Clothing, personal up-keep, grooming aids, recreation
- Personal Computer – rental or purchase
 - Reasonable purchase, may be case by case
 - Does not have to be required by program but needed for enrollment period
 - Student must be attending on at least a ½ time basis
 - May be purchase in the summer for use during the following fall enrollment period

Allowable Costs

Can Also Include (usually on a case-by-case basis with documentation):

- Dependent Care
 - Based on the number and age of dependents
 - “Dependent” may include persons other than children (i.e., elderly parents)
- Professional License or Credential
 - One time allowance per student per academic program
 - Must be incurred during enrollment even if activity occurs after the enrollment period ends
- Study Abroad
 - Does not have to be required for program, but must be approved for academic credit
- Work Experience & Cooperative Education
- Disability Related Expenses
 - Expenses paid by another organization may not be included in COA
- Educational Loan Fees
 - Required for all federal education loans; optional for nonfederal education loans

COA Restrictions

- Enrolled less than half time
 - Only includes: tuition & fees, books & supplies, transportation, room & board (see previous exception), and dependent care
- Correspondence programs
 - Only includes: tuition & fees, required books & supplies, and transportation, room & board incurred during periods of on-site residential training
- Incarcerated
 - Only tuition & fees, and required books & supplies
 - Student incarcerated in federal/state penal institution cannot receive Pell
 - Student incarcerated in any type of institution cannot receive Direct or Perkins loans

COA Recalculations

Rules differ among Title IV programs:

- Federal Pell Grant, Iraq and Afghanistan Service Grant (IASG), and Teacher Education Assistance for College and Higher Education (TEACH) Grant programs
 - Change in costs, but not enrollment status, doesn't require recalculation unless school policy dictates it does
- Campus-Based Programs
 - Optional except when required to resolve an overaward
- Federal Direct Student Loan Program
 - School may, but not required to, adjust student costs based on change in enrollment status
 - If student drops below $\frac{1}{2}$ time during loan period, recalculation is required to determine whether they qualify for entire amount

Non-Title IV Aid and COA

- Prepaid tuition plans have no effect on COA
- State-provided non-Title IV aid designated to cover a specific COA component may be excluded from estimated financial assistance (EFA), if also excluded from COA, and vice versa

COA for Distance Education

- See difference in Distance Education and Correspondence Study - 15-16 FSA Handbook, Volume 2, Chapter 2
- Law prohibits from making a distinction based on the mode of instruction when determining COA for a student receiving all or part of their instruction through distance education.
- Can use PJ to adjust COA on case-by-case basis to allow for special circumstances (i.e., exclude transportation costs if none incurred)

Consortium Agreements

- Students simultaneously enrolled at more than one school and receiving Federal Direct Loan from each school for the same period, schools must ensure non-institutional costs are not duplicated in COAs
- Budget Items and Charges must be:
 - Combined into single amounts for each COA component to prevent double counting of student expenses
 - Applied on a full-time, full academic year basis when awarding Title IV funds (budget components and awards adjusted as appropriate for less-than-full-time enrollment)

Costs for Periods Other than 9 Months

- COA used to package Campus-Based, Direct/Direct PLUS loan, and TEACH Grants should cover the student's actual period of enrollment
- When calculating periods other than 9 months, be sure to use the rules for the corresponding EFC type

Questions?

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