COA Topics

• Student Budget Construction
• COA Components
• Collecting Data
• Professional Judgement
• COA Recalculations
• Questions/Answers

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Financial Need is determined by Cost of Attendance minus EFC

You cannot have more financial aid than the Cost of Attendance (over award)

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**PURPOSES**
- Realistic
- Accurate Projection
- Equitable

**PRINCIPLES**
- Comprehensiveness
- Reasonableness
- Systematic Development
- Documentation

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Setting Costs

Institutional/Direct
- Tuition
- Fees
- On-campus housing

Non-institutional/Indirect
- Books and supplies
  - Transportation
  - Personal expenses
  - Off-campus housing
  - Medical
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Tuition and Fees

- Tuition for Title IV recipients
- Allowable fees
  - Necessary for all students within defined category
- Up-front fee collection
- Cooperative education
Room and Board

- Determined by the institution
  - Commuter
  - On Campus
  - Military
  - All other students (Independent, etc.)
Books and Supplies

• May vary among categories of students
• May be included in tuition and fees in certain circumstances
Transportation

- Reasonable allowance for:
  - Getting to school and back
  - Other travel related to a course of study
- Can include operating and maintenance costs of a car, but not purchase or lease.
Miscellaneous Personal Expenses

• Reasonable allowance
• Examples include:
  – Clothing
  – Hygiene and grooming
  – Recreation
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Additional Cost Allowances

- Dependent care expenses
- Disability-related expenses
- Cooperative education program expenses
- Educational loan fees
- Study abroad expenses
- Computer
Dependent Care

- Benchmark = *reasonable* cost in the community
- Dependent included in household size
- Necessary to pay for care in order to attend class, study time, field work/internship, or for commuting time
- Documentation
Disability-related Expenses

- Reasonably incurred expenses related to disability
- Not provided for by other assisting agencies
- Americans with Disabilities Act (ADA) defines many types of disabilities
- Documentation
Cooperative Education

- Credit-bearing program combining professional work experience with academic research and coursework
- Reasonable costs associated with employment
- Documentation
Study Abroad

• Approved for credit by home institution
• Reasonable costs associated with study
• Documentation
Computer

- Reasonable cost
- Documentation of cost required
Educational Loan Fees

• Actual or average cost
• Required for any Direct Loan borrowed
• At option of institution for nonfederal educational loans
Discussion Questions

1. Why is equity a principle of the student budget construction process?
2. What documentation would you use for the student budget construction process? Why?
Collecting Data

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PRIMARY DATA
Directly from students

Surveys
Questionnaires
Expenditure diaries
Personal Interviews
Collecting Data

SECONDARY DATA
Third-party sources

Published institutional data
Faculty and staff
Class project
Community Sources

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Collecting Data

SECONDARY DATA
Third-party sources

Government indices
Comparisons

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Examples of Secondary Data Sources

- Chamber of Commerce
- Cost of Living Indexes
- Economic Policy Institute (www.epi.org)
  - Resources
  - Family Budget Calculator
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Discussion Questions

1. What are the best secondary data sources to use in the student budget construction process? Why?

2. What approach would you take to researching costs at your institution? Why would you take this approach?
Important Questions to Consider:

• How often does the school collect data from primary sources? What primary data source is used and why?
• How often does the school collect data from secondary sources? What secondary data sources are used and why?
• Which staff is responsible for reviewing and updating budget components? When does this review take place?
• How often is the budget construction policy reviewed and updated?
• How could the institution improve its budget construction process?
Professional Judgement

• Address special circumstances

• Must be made within COA categories outlined in HEA

• FAA may NOT create new cost categories
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What would you do?

Miriam indicated on her FAFSA she would live at home with her parents during her final year at Uptown College. Once school began, Miriam went to the Office of Financial Aid to request additional loan funds. Miriam’s counselor determined Miriam was awarded up to the amount of her COA, so she is not eligible for additional aid. Miriam explained she decided to get an apartment off-campus, and her parents are willing to take a Direct PLUS Loan to help cover the cost of her housing and food. Uptown College has a higher budget for students living off-campus versus those living on-campus or at home with parents.
COA Recalculation

• Required if a student’s enrollment changes prior to census date
  – Federal Pell Grant
  – IASG
  – TEACH Grant
  – Direct Loans (if < 1/2 time)

• If financial aid is now greater than COA, aid must be reduced (over award)
COA Recalculation

• Optional if enrollment changes after census date
• Pell Recalculation Policy “Census Date”
  - If enrollment status change prompts a Federal Pell Grant recalculation under policy, COA must also be recalculated
• Institution sets other policies to recalculate COA
What would you do?

Brandon was a full-time student in a credit-hour program during the fall semester at Uptown College. Brandon saw a drop in his grades at the end of the fall semester, so before the spring semester began, he decided to drop to half-time enrollment. He was awarded a Federal Pell Grant, FSEOG. Brandon declined his Direct Subsidized Loan and Direct Unsubsidized Loan.
Discussion Questions

1. Would you establish different room and board costs for different student categories and situations? Why or why not?

2. To what extent do you expect a student to have a roommate(s) in order to reduce costs?

3. Do you agree that Title IV aid should not be used to support a student’s lifestyle choice?

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Helpful Resources

- Federal Student Aid Handbook
  - Volume 3
  - Chapter 2
    - Cost of Attendance (Budget)

- Higher Education Act of 1965
  - Section 472 [20 USC 1087I]
    - Cost of Attendance

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Helpful Resources

• College Board
  – Professionals
  – Higher Ed Services
  – Living Expense Budget

• NASFAA Monograph
  – Login required
  – Monograph 24 7th
Sources

NASFAA training materials, 2017
2018-2019 FSA Handbook
www.collegeboard.org
www.epi.org
www.nasfaa.org
www.finaid.org
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THANK YOU!