

Net Price Calculator Offers Estimate of Typical Tuition and Fees



To help provide consumers with a more realistic estimate of college costs, the Higher Education Opportunity Act of 2008 amended the Higher Education Act to require that all schools make available to current and prospective undergraduate students, families and others a “net price calculator,” which computes the cost for a first-year, full-time student to attend a specific institution. The provision is not applicable to graduate students and schools.

Net price is the average annual price charged to a first-time undergraduate who is enrolled full time and who receives aid, calculated by subtracting the average need-based and merit-based grant aid from the institution’s cost of attendance. Cost of attendance means the average annual cost for tuition and fees, room and board, books and supplies, and transportation cost for a first-time undergraduate student who is enrolled full time.

For public institutions, the cost of attendance and net prices are calculated for students who are residents of the state in which the institution is located. The average need-based and merit-based grant aid are calculated based on the average total amount that is received by first-time undergraduates who are enrolled full time and who are residents of the institution’s state divided by the total number of resident students receiving need-based or merit-based grant aid at the institution.

The calculator must be posted on schools’ Web sites by Oct. 29, 2011. The National Center for Education Statistics was required to provide a net cost calculator template for schools to use to meet this requirement. The NCES calculator template is available on the College Navigator Web site at <http://npc.inovas.net/institution>. Schools must use either the NCES calculator or develop one of their own — provided it includes at least the same data elements as the NCES calculator.

| | |
|---|--------------|
| Estimated total price of attendance: | X |
| Estimated tuition and fees | |
| Estimated room and board | |
| Estimated books and supplies | |
| Estimated other expenses (personal expenses and transportation). | |
| Estimated total grant aid: | Y |
| (Average need-based and merit-based aid). | |
| Estimated net price: | X – Y |

The minimum input data elements required for students include:

- ◆ Age.
- ◆ Marital status.
- ◆ Number of children.
- ◆ Number in family.
- ◆ Number in college.
- ◆ Income (parent income for dependent students, household income for independent students).
- ◆ Living status (on-campus, off-campus with family, with parents).
- ◆ Residency status (eligible for in-state tuition, eligible for in-district tuition, eligible for out-of-state tuition).

The minimum output data elements required for institutions include:

- ◆ Estimated total price of attendance.
 - Estimated tuition and fees.
 - Estimated room and board.
 - Estimated books and supplies.
 - Estimated other expenses (including personal expenses and transportation).
- ◆ Total estimated grant aid (including both merit- and need-based aid).
- ◆ Estimated net price.

Note: The calculator is intended to estimate net price for an individual full-time undergraduate student. Institutions that create their own calculator also could include calculations for part-time and/or graduate students.

Schools have the option to include additional input and output elements if the additional data would result in a more accurate estimate. For example, the school could provide a specific range for income or ask about preferences for housing options if prices vary.

The HEA also requires that the calculator include a link to ED’s FAFSA Web site and a “clear and conspicuous” notice stating that the estimate:

“(i) does not represent a final determination, or actual award, of financial assistance; (ii) shall not be binding on the Secretary, the institution of higher education, or the State, and (iii) may change.”

The notice also must state that the student must complete the Free Application for Federal Student Aid to be eligible for and receive any actual financial aid award that includes federal grant, loan-, or work-study assistance.