



Net Price Calculator

Tri-State Conference
November 8, 2010

Annmarie Weisman
Federal Student Aid
U.S. Department of Education



Agenda

- Background
- U.S. Department of Education's Net Price Calculator Template
- Next Steps for Institutions
- Resources
- Frequently Asked Questions



Background

- Higher Education Opportunity Act (HEOA)

- Signed into law on August 14, 2008



- Includes new reporting and disclosure requirements

- Requires institutions to have a net price calculator on their websites for full-time, first-time degree/certificate-seeking undergraduates



Requirement

- Institutions have two years from the release of the Department’s template to post their calculator
 - 10/29/2009: Department released its template
 - 10/29/2011: All institutions must have a net price calculator on their websites
- An institution may use the Department’s Net Price Calculator template or develop its own
 - Custom calculators must include “at a minimum the same data elements” in the Department template



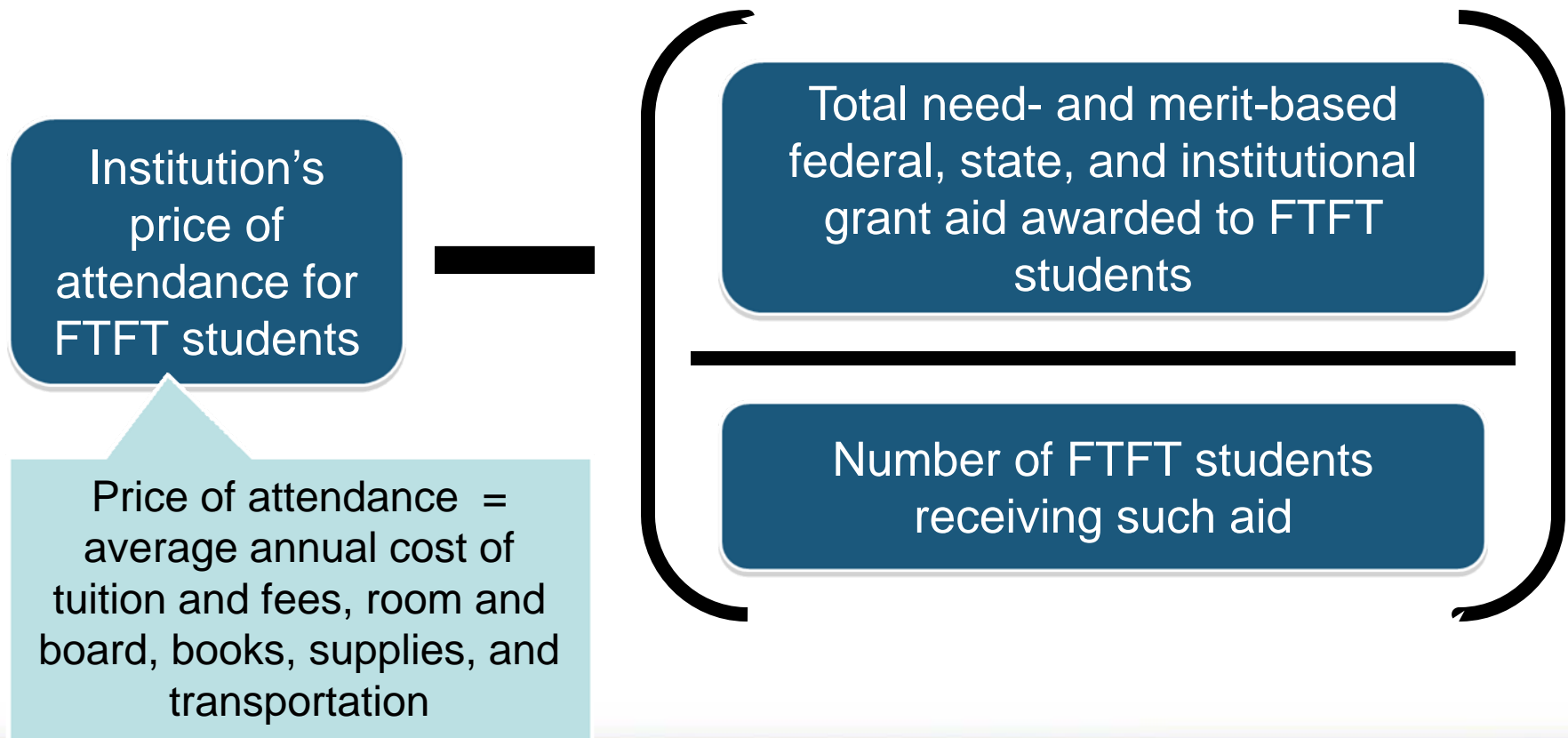
Purpose of the Net Price Calculator

...to help current and prospective students, families, and other consumers estimate the individual net price of an institution of higher education for a student. The calculator shall be developed in a manner that enables current and prospective students, families, and consumers to determine an estimate of a current or prospective student's individual net price at a particular institution. - P.L. 110-315, sec. 132(h)(1)



HEOA Definition of Net Price

Definition:





Net Price Calculator Template

- National Center for Education Statistics (NCES) worked with the Office of Postsecondary Education (OPE) to oversee development of the template
- January 2009: Technical Review Panel (TRP) meeting held; basic tenets discussed
 - Keep template simple and usable
 - Institutions may customize their calculator to make it more precise



Net Price Calculator Template

- The Department's template was developed based on the TRP's suggestions
 - Suggestions were made available for public comment
 - Tested with campus and higher education association representatives



Net Price Calculator Template

<http://nces.ed.gov/ipeds/resource>

- Net Price Calculator Requirement**
- Average Institutional Net Price FAQs**



Net Price Calculator Template

Institution Application

Net Price Calculator

Please read. Welcome to the Net Price Calculator application. This application will assist you in setting up a Net Price Calculator to post on your institution's website as required in the Higher Education Opportunity Act of 2009 (see HEOA Sec. 111 which amended HEA Title I, Part C: added HEA Sec. 132(a), Sec. 132(h) (20 U.S.C. 1015a(a), 20 U.S.C. 1015a(h))). **Click Continue to begin.**

Continue

Note: The Higher Education Opportunity Act defines net price as the net price for first-time, full-time degree/certificate-seeking students. Title IV institutions that do not enroll first-time, full-time students are not required to have a net price calculator under the HEOA.





Net Price Calculator Template

Step 1: Determine year and calendar system

Net Price Calculator

Step 1: Determine representative year and calendar system

HEOA requires that your institution use the data from the **most recent year available** when setting up this calculator. Data should be provided for **full-time, first-time degree/certificate-seeking undergraduate students**. Price and aid data must be for the same year – e.g., the most recent year for which data are available for both.



1. The data you are entering are representative of the year:

2008-09

2. What is your institution's predominant calendar system?

Academic (semester, quarter, trimester, 4-1-4, or other academic)

Program (differs by program, continuous basis)

Continue



Net Price Calculator Template

Step 2: Set up data screens

Net Price Calculator

Predominant Calendar System: Academic
Representative Year: 2008-09

Selections from
Step 1

Step 2: Set up your data entry screens

To get started, answer the questions below. Your responses will determine which data elements you are required to provide in the subsequent data input screen.

1. Does your institution offer institutionally controlled housing (either on or off campus)?

- Yes
 No

2. If yes, are all full-time, first-time degree/certificate seeking students required to live on campus or in institutionally-controlled housing?

- Yes
 No

3. Does your institution charge different tuition for in-district, in-state, or out-of-state students?

- Yes >> check all that apply: In-district In-state
 No

Previous

Continue





Net Price Calculator Template

**Step 3,
Table 1:
Enter
price data**

Net Price Calculator

Predominant Calendar System: Academic
Representative Year: 2008-09

This is the year that you selected in Step 1.

Step 3: Enter your institution's data

For the tables below, please provide data for **full-time, first-time undergraduate students**. Data for both tables should be for the **same year**. Please fill-in each table as completely as possible. These tables will be used to look up the appropriate price of attendance and grant aid data for users of the calculator based on information they enter. When you have completed the data entry for both tables below, click **Continue**.

Table 1: Price of Attendance for Full-time, First-time Undergraduate Students, 2008-09

Enter the amounts requested below. Estimates of expense for room and board, books and supplies, and other expense should be those from the Cost of Attendance report used by your financial aid office for determining financial need. (Note: **These estimates are reported by your institution in the Integrated Postsecondary Education Data System (IPEDS) on the Institutional Characteristics survey form – Part D- Student Charges- Price of Attendance**).

Report in whole dollars only

Price of attendance	In-state			Out-of-state		
	On-campus	Off-campus not with family	Off-campus with family	On-campus	Off-campus not with family	Off-campus with family
Total	0	0	0	0	0	0
Tuition and required fees						
Books and supplies						
Room and board						
Other (personal, transportation, etc.)						



Net Price Calculator Template

**Step 3,
Table 2:**
Enter
grant and
scholarship
data

Table 2: Grants and Scholarships for Full-time, First-time Undergraduate Students: 2008-09

Enter the amounts requested below. Data should represent the **median** amount of both need and non-need grant and scholarship aid **from Federal, State, or Local Governments, or the Institution (exclude private source grant or scholarship aid)** awarded to, and accepted by, all **first-time, full-time students** with the indicated living and residency category for each Expected Family Contribution (EFC) range. **If you have fewer than three (3) observations for a cell, leave the cell blank.** The system will calculate and insert the average of the surrounding cells. In the bottom row of the table, report the median amount of grant or scholarships aid for students for whom you do not know an EFC (i.e., they did not file a FAFSA or apply for need-based financial aid).

Report in whole dollars only

EFC Range	In-state			Out-of-state		
	On-campus	Off-campus not with family	Off-campus with family	On-campus	Off-campus not with family	Off-campus with family
\$0	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$1-1,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$1,001-2,500	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$2,501-5,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$5,001-\$7,500	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$7,501-\$10,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$10,001-\$12,500	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$12,501-\$15,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$15,001-\$20,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$20,001-\$30,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
\$30,001-\$40,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
>\$40,000	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Non-FAFSA filers/unknown EFC	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Institutional data prepared by the institution



Net Price Calculator Template

Step 4:
Enter
explanations
and caveats

**Template
explanation**

Net Price Calculator

Predominant Calendar System: Academic
Representative Year: 2008-09

Step 4: Enter Explanations and Caveats

The following information will appear at the bottom of the output screen for the calculator:

Please note: The estimates above apply to **full-time, first-time undergraduate students only.**

These estimates do not represent a final determination, or actual award, of financial assistance or a final net price; they are only estimates based on price of attendance and financial aid provided to students in 2008-09. Price of attendance and financial aid availability changes year to year. These estimates shall not be binding on the Secretary of Education, the institution of higher education, or the State.

Not all students receive financial aid. **In 2008-09, XX% of our full-time students enrolling for college for the first time received grant/scholarship aid.** Students may also be eligible for student loans and work-study. Students must complete the Free Application for Federal Student Aid (FAFSA) in order to determine their eligibility for Federal financial aid that includes Federal grant, loan, or work-study assistance. For more information on applying for Federal student aid, go to <http://www.fafsa.ed.gov/>.



Net Price Calculator Template

Step 4:
Enter
explanations
and caveats,
continued

1. **Please enter the following information to fill in the XX% above:** What percentage of all first-time, full-time students received any grants or scholarship aid from Federal, State, or Local Governments, or the Institution (exclude those who only received private source grant or scholarship aid)?
2. **Would you like to add explanations to appear on the output screen (e.g., exclusions, URL for your financial aid web site, assumptions regarding room and meal-plan type; range of credits; level of personal expenses; etc.)? Please enter text for institutional explanations below. When you are done, click Continue.**

Explanation #1, which appears at end of first paragraph on the output screen, is optional but can be used to describe any groups excluded from the calculator (e.g., athletes, students receiving employee tuition remission grants).

Explanation #2, which appears after the URL for the FAFSA site, is optional but can be used to provide 1) instructions on how to access your institution's financial aid web site, 2) possible advice on how to use this estimate (e.g., particular factors, such as the year of the estimate, to keep in mind when comparing with estimates from other institutions, expenses you include that other institutions may not), or 3) notification of any major planned changes to price or grants that could affect the validity of these estimates.

Explanation #3, which appears at the very end, is optional but can be used for any other explanations or caveats you want to include, such as explaining parameters underlying price estimates (e.g., number of credits covered by tuition estimate, room and board plan included in on-campus estimate, expenses covered in "other expenses"); explaining of types of costs not reflected (e.g., differential tuition rates associated with certain academic programs or guaranteed tuition plans); or explaining types of grants not included, (e.g., private scholarships, employee tuition remission, ROTC scholarships not included); or other caveats.



Net Price Calculator Template

Step 5:
Review
information
entered

Net Price Calculator

Step 5: Create Calculator

You have completed the data entry for the Net Price Calculator. Please review the information you have provided. You can click Modify to return to Step 1 and edit this information, or if you are happy with the current selections, click Continue to produce a zip file containing the files necessary to run the Net Price Calculator on your institution's website. (For detailed instructions on downloading, extracting, and hosting the application on your institution's website, please refer to the Quick Start Guide included with this template.)

• Representative Year	2008-09
• Predominant Calendar System	Academic
• Institutionally Controlled Housing	Yes
• Housing Restrictions for Full-Time, First-Time Undergraduates	No
• Tuition Based on Residency Status	No

Table 1: Price of Attendance for Full-time, First-time Undergraduate Students: 2008-09

Price of attendance	Amount		
	On-campus	Off-campus not with family	Off-campus with family
Total	36691	36586	35586
Tuition and required fees	25586	25586	25586
Books and supplies	1100	1100	1100
Room and board	9105	9000	8000
Other (personal, transportation, etc.)	900	900	900

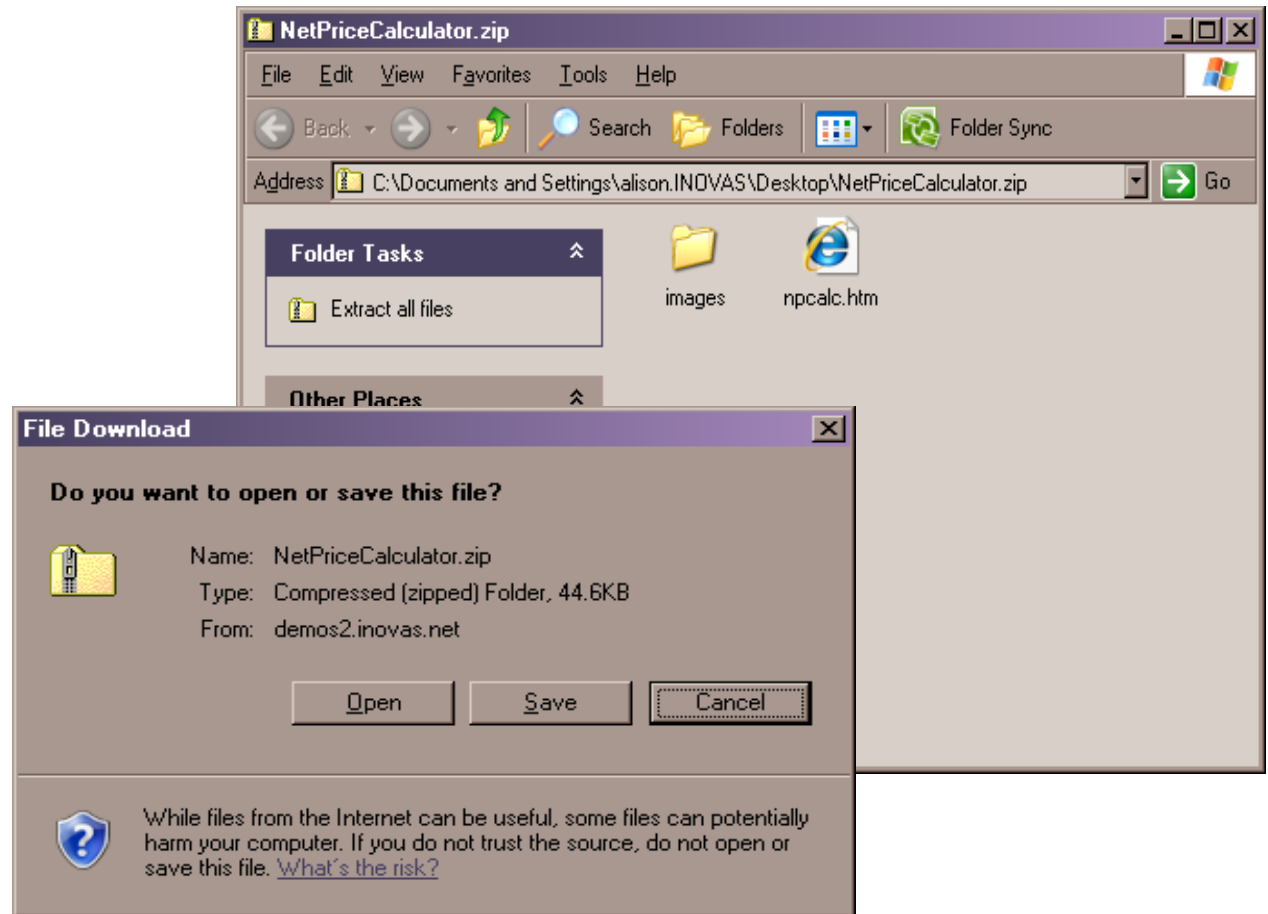
Table 2: Grants and Scholarships for Full-time, First-time Undergraduate Students: 2008-09

	Amount



Net Price Calculator Template

Step 6:
Download
and extract
files





Net Price Calculator Template

The End User's Experience

Net Price Calculator

Please read. By clicking below, I acknowledge that the estimate provided using this calculator does not represent a final determination, or actual award, of financial assistance, or a final net price; it is an estimate based on price of attendance and financial aid provided to students in a previous year. Price of attendance and financial aid availability change year to year. The estimates shall not be binding on the Secretary of Education, the institution of higher education, or the State. Students must complete the Free Application for Federal Student Aid (FAFSA) in order to be eligible for, and receive, an actual financial aid award that includes Federal grant, loan, or work-study assistance. For more information on applying for Federal student aid, go to <http://www.fafsa.ed.gov/>

I Agree





Net Price Calculator Template

Step 1:
Answer basic
questions

Net Price Calculator

Step 1: Please provide the requested information. Your responses will be used to calculate an estimated amount that students like you paid - after grant aid and scholarships but before student loans - to attend this institution in a given year.

Financial aid:	Do you plan to apply for financial aid? <input type="radio"/> Yes <input type="radio"/> No
Age:	How old are you? <input type="text" value="21"/>
Living arrangement:	Where do you plan to live while attending this institution? <input checked="" type="radio"/> On-campus (in a residence hall, dormitory, or on-campus apartment) <input type="radio"/> Living on my own or with a roommate <input type="radio"/> Living with my parents or other family members
Residency:	<input checked="" type="radio"/> Eligible for in-state tuition <input type="radio"/> Eligible for out-of-state tuition
<input type="button" value="Previous"/> <input type="button" value="Continue"/>	



Net Price Calculator Template

Step 2:
Answer basic
questions
(dependent
status)

Net Price Calculator

Step 2: Provide this information and then click Continue.

Marital Status:

Are you (the student) married?

(Answer "yes" if you are separated but not divorced.)

- Yes
 No

Children:

Do you (the student) have any dependent children?

- Yes
 No

Previous

Continue



Net Price Calculator Template

Step 3:
Answer basic
questions
(income)

Number in Family:

How many people are in your family's household?

(Count yourself, your parent(s), and your parents' other children who are under the age of 24.)

Number in College:

Of the number in your family above, how many will be in college next year?

(Count yourself and your siblings; do not count your parents.)

Parent Income:

What is the income of your parent(s)?

- Include income from work, child support, and other sources.
- If your parent is single, separated, or divorced, include the income for the parent with whom you live.
- If the parent with whom you live is remarried, include both your parent's income and his/her spouse's income.

- Between \$0 - \$30,000
- Between \$30,001 - \$40,000
- Between \$40,001 - \$50,000
- Between \$50,001 - \$60,000



Net Price Calculator Template

Step 4:
Review
information
entered

Financial aid	Yes
Age	21
Living arrangement	On-campus (in a residence hall, dormitory, or on-campus apartment)
Residency	Eligible for in-state tuition
Marital Status	No
Children	No
Number in Family	4
Number in College	1
Parent Income	Between \$40,001 - \$50,000
Student Income	Between \$1 - \$5,000



Net Price Calculator Template

Step 5:
Produce
net price
output

Net Price Calculator

Based on the information you have provided, the following calculations represent the average net price of attendance that students similar to you paid in the given year:

Academic Year: 2008-09

Estimated total price of attendance:	\$17,872
a. Estimated tuition and fees	\$8,190
b. Estimated room and board	\$950
c. Estimated books and supplies	\$6,932
d. Estimated other expenses (Personal expenses, transportation, etc.)	\$1,800

Estimated total grant aid: **\$8,750**
(Includes both merit and need based aid)

Estimated net price: **\$9,122**
(Price of attendance minus grant aid)

Previous

Start Over

**Estimated
net price**

**Explanations and
caveats**

Please Note: The estimates above apply to **full-time, first-time undergraduate students** only.

These estimates do not represent a final determination, or actual award, of financial assistance or a final net price; they are only estimates based on price of attendance and financial aid provided to students in 2008-09. Price of attendance and financial aid availability change year to year. These estimates shall not be binding on the Secretary of Education, the institution of higher education, or the State.



Net Price Calculator Template

- The Department's template:
 - Allows choice between two calendar systems: Academic Year and Program Year
 - Uses estimated (not actual), formula-driven EFCs from prior year data
 - Uses median grant aid, not mean (average)
 - Approach endorsed by NASFAA and AIR
 - Accepted by the Department



Advantages of ED Template

- Meets federal requirements
- Easier
- Faster
- Cheaper
- Less testing



Disadvantages of ED Template

- Designed for disclosure
(not enrollment management)
- May be less accurate than custom calculator
- Doesn't support institutional methodology for EFC
- Uses prior year values
- Can't take into account future changes



Possible Explanations/Caveats

- Parameters for estimated price of attendance
 - # credits
 - room & board plan
 - what's in personal expenses
- When the calculator does not apply
 - special tuition rate, employee or dependent discounts
 - graduate students, part-time students, transfer students
 - possibly: international students, athletes, etc.



Possible Explanations/Caveats

- No Private scholarship data (per HEOA)
- Link to institutional financial aid form and website
- Explain why actual awards vary from estimates
- How to compare your calculator with those at other institutions



Decisions for Institutions

1. Which approach should your institution use?
 - Four options:
 - Department template
 - Third-party calculator*
 - Update a current calculator*
 - Create an alternative calculator*
 - » Table-based approach
 - » More complex model of award algorithm

*Must contain, at minimum, the same elements as the Department's template



Decisions for Institutions

2. What is unique to your institution?

- Factors that may impact grants:
 - Scholarships
 - State grants
 - Other non-need grants

- Factors that may impact price of attendance:
 - Differential pricing by program



Decisions for Institutions

3. Where will the calculator “live” on your site?
 - NPC is one of several institutional disclosure requirements
 - Coordinate with others on your campus
 - Decide who is responsible!



Decisions for Institutions

4. What are your peers doing?

- Different approaches affect marketing efforts
- Department template uses prior year data
 - Usually produces a lower net price than future year data



Resources

- Presentations, papers, and articles
- Links
- FAQs
- Discussion Forum

Association for Institutional Research
Enhancing Knowledge. Expanding Networks.

Association Knowledge **Education** Networking

EducationOpportunities->IPEDS->NPCResourceCenter

AIR Net Price Calculator Resource Center

The Higher Education Opportunity Act (HEOA) of 2008 included a provision for all postsecondary institutions that participate in Title IV federal student aid programs to post a net price calculator on their websites. To meet this requirement, institutions have until October 29, 2011 to:

- implement use of a Department of Education's Net Price Calculator template on their websites, or
- develop a customized version that must include, at a minimum, the same elements as the Department's version.

This Web site, sponsored by the Association for Institutional Research (AIR) with support from NCES, was created as a focal point for useful information and discussion as institutions move to meet his requirement.

Net Price Calculator Discussion Board

NPC Q&A Discussion Board - Ask your questions and get your answers plus more; read the commentary; participate in the discussion. All centered on the new net price calculator requirement.

Frequently Asked Questions

FAQs - Don't reinvent the wheel. Your colleague may already have asked your question. Find answers to many frequently asked questions about the new standards.

Links

Links - An index of relevant links to resources at various Web sites including NCES, AIR, etc.

Presentations, Papers and Articles

Presentations, Papers and Articles - view and/or download powerpoints, Webinars, manuscripts, and more to learn more about the new net price calculator requirement from various perspectives.

Home | Contact AIR

AIR - 1435 E. Piedmont Drive, Suite 211 - Tallahassee, FL 32308 - 850-385-4155 - Fax: 850-385-5180

www.airweb.org/NPCinfo



Frequently Asked Questions

- Q: If an institution is primarily a graduate/professional school, but has a few undergraduate programs in which students enroll as third-year transfer students, do we need a Net Price Calculator?

A: No, only schools with first-time, full-time students need a Net Price Calculator

- Q: My institution has a calculator on the web. Can we use that instead of the Department's template?

A: Yes, you may use your own Net Price Calculator if it meets the Department's requirements



Frequently Asked Questions

- Q: My institution has a small number of first-time, full-time students so we don't have enough data to fill in the cells to use the Department's template. Do we need to have a Net Price Calculator?

A: Yes, all schools that have first-time, full-time students must have a Net Price Calculator



Frequently Asked Questions

- Q: The Department's template currently only covers EFC data from 2008-09. When will updated templates be made available?

A: Updates will be made annually, usually by August.

- Q: How will compliance be enforced?

A: Institutions will report a URL for the location of the Net Price Calculator as part of their IPEDS reporting. Auditors and Department program reviewers may request the information.



Frequently Asked Questions

- Q: Can an institution ask students for more inputs in its calculator (such as high school GPA, SAT scores, contact information) than the Department's template does?

A: Yes, the Department provides minimum standards, but you may request more information than the minimum.

- Q: Can the final net price provided be a range (e.g., middle 50%) or does it have to be a single figure?

A: A range can be given as long as the explanation/caveat section provides this information.



Federal Student Aid Regional Training Officers Philadelphia Office

*Gregory Martin – 215-656-6452

gregory.martin@ed.gov

*Craig Rorie – 215-656-5916

craig.rorie@ed.gov

*Annmarie Weisman – 215-656-6456

annmarie.weisman@ed.gov



1

Questions or clarification on this session?

Contact:

Annmarie Weisman, Training Officer
annmarie.weisman@ed.gov or 215-656-6456

Feedback on Training?

Contact:

Thomas Threlkeld, Supervisor of Training Officers
thomas.threlkeld@ed.gov or 617-289-0144