

## 2023-24 Award Year: Changes to Be Implemented **Cost of Attendance (COA)**

The *FAFSA Simplification Act* (116 Pub. L. 260, Division FF, Title VII) and the *Consolidated Appropriations Act, 2022* (117 Pub. L. 103, Division R) jointly modify the COA components and consumer information pertaining to those components. The revisions provide more clarity and detail to individual COA components, and institutions must implement them for the 2023-24 Award Year.

### *What has changed?*

- Language regarding costs for rental or purchase of equipment, materials, or supplies has moved out of the definition of “tuition and fees” and into a broader definition of “books, course materials, supplies, and equipment.”
- Transportation expenses may include transportation between campus, residences, and a student’s place of work.
- “Room and board” are now known as “food and housing,” although the meaning of the terms remains the same. Food and housing are grouped as “living expenses.”
- Living expense categories now break out costs associated with specific housing and food situations and require standard allowances within certain categories, such as on or off campus and with or without a meal plan.
- Institutions may no longer include loan fees for non-Federal student loans borrowed by students.
- The costs of obtaining a license, certification, or first professional credential are no longer restricted to a one-time allowance.
- “Course materials” and “the cost of obtaining a license, certification, or a first professional credential” were added to the types of expenses that an institution may include in a confined or incarcerated individual’s COA.
- The types of expenses that an institution may include in the COA for a student who is enrolled less than half time has been broadened to include components not otherwise prohibited by the law. For example, an allowance for students in work related to a cooperative education program is permissible because that COA element [HEA Sec. 472(a)(12)] does not exclude less-than-half-time students, while miscellaneous personal expenses [HEA Sec. 472(a)(4)] are not includable, as noted below.

### *What remains the same?*

- A student must be enrolled at least half time for miscellaneous personal expenses to count in the student’s COA.
- There were no changes to the definitions of the following components: study abroad expenses, cooperative education expenses, dependent care expenses, and disability-related expenses.
- There were no substantive changes to the COA components for students engaged in correspondence study or distance education under section 472(a)(6) and section 472(a)(11) of the HEA, respectively.

## Definitions

Below we provide the updated definitions of commonly used COA terms based on the statutory changes in section 472 of the HEA, incorporating the changes described above for the 2023-24 award year:

**Tuition and fees**—An amount normally assessed for a student carrying the same academic workload, as determined by the institution.

**Books, course materials, supplies, and equipment**—An allowance for books, course materials, and equipment, which must include all such costs required of all students in the same course of study, including a reasonable allowance for the rental or upfront purchase of a personal computer, as determined by the institution.

**Transportation**—An allowance, as determined by the institution, which may include transportation between campus, residences, and place of work.

**Miscellaneous personal expenses**—An allowance, as determined by the institution, for a student attending the institution on at least a half-time basis.

**Living expenses**—An allowance for food and housing costs, as determined by the institution, to be incurred by the student attending the institution on at least a half-time basis, including—

- A standard food allowance that provides the equivalent of three meals each day, regardless of whether a student chooses institutionally owned or operated food services (i.e., board or meal plans). Institutions must provide an allowance for purchasing food off campus for a student that does not elect institutionally owned or operated food services.
- Housing allowances for students residing in institutionally owned or operated housing with or without dependents must be based on the average or median amount assessed to such residents for housing charges, whichever is greater.
- Housing allowances for students living off campus must include rent or other housing costs.
- For dependent students living at home with parents, institutions must include a reasonable standard allowance for living expenses that is not zero.
- For students living in housing on a military base or for which they receive a basic allowance under section 403(b) of title 37, United States Code, institutions must include a reasonable allowance for food on-campus or off-campus but cannot include housing costs.
- For all other students, institutions must include a reasonable allowance based on expenses incurred by such students.

Review each living expense category above to ensure that you properly capture all required categories in your COA policy.

**Study abroad expenses**—An allowance for reasonable costs, as determined by the institution, for a student in a study abroad program approved for credit by the home institution.

**Cooperative education costs**—An allowance for reasonable costs, as determined by the institution, associated with such employment for a student engaged in a work experience under a cooperative education program.

**Dependent care**—An allowance based on the estimated actual expenses incurred for dependent care, based on the number and age of such dependents.

- Such allowance must not exceed the reasonable cost in the community in which such student resides for the kind of care provided; and
- The period for which dependent care is required includes, but is not limited to, class-time, study-time, field work, internships, and commuting time.

**Disability-related expenses**—An allowance, as determined by the institution, for expenses associated with a student's disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided for by other agencies.

**Federal student loan fees**—An allowance for the cost of any Federal student loan fee, origination fee, or insurance premium charged to the student or the parent of the student. The allowance—

- May be actual or average costs, as appropriate; and
- May not include the cost associated with non-Federal loans.

**Professional licensure, certification, or a first professional credential**—An allowance for the costs associated with obtaining a license, certification, or a first professional credential, for a student in a program that prepares them to enter a profession that requires such a qualification.

#### Special Populations

The following student populations have cost of attendance requirements based on their unique situations.

Cost of attendance for students engaged in a program of **study by correspondence** must include tuition and fees and, if required, books, course materials, supplies, and equipment. A school may also include an allowance for travel, housing, and food costs incurred specifically for a period of residential training.

The cost of attendance for **confined or incarcerated students** may only include:

- Tuition and fees
- Books, course materials, supplies, and equipment

- The cost of obtaining a license, certification or a first professional credential

The cost of attendance for students enrolled **less than half-time**:

- Must include any components (tuition and fees; books, course materials, supplies, and equipment; and transportation) normally applied to students who are enrolled less than half-time, along with any other components (disability expenses, etc.) that are not expressly prohibited for less than half-time students (e.g., miscellaneous personal expenses).
- May also include an allowance for living expenses, including food and housing costs, for up to three semesters, or the equivalent, with no more than two semesters being consecutive.

For students receiving all or part of their instruction by means of **distance education**, no distinction may be made with respect to the mode of instruction in determining costs. For example, an institution may not eliminate the transportation cost component for a distance education student.

#### Other Changes

The Act expands existing consumer information requirements by explicitly stating that each institution must make COA information publicly available on its website. The disclosure must include a list of all COA elements and must appear on any portion of the website that describes tuition and fees.

Previously the Department was not permitted to establish regulations on cost of attendance. Under the Act, the Department may now regulate the cost of attendance, except for tuition and fees, and may choose to do so in the future to provide clarity in this area.