

The New Institutional Net Price Calculator Requirement in HEOA

Ben J. Baker
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The Legislation

Higher Education Opportunity Act (HEOA)

- Signed into law August 14, 2008
- Includes many new reporting and disclosure requirements
- Also includes the requirement that every institution have a net price calculator on its website

Purpose

“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).

Requirement

- On October 29, 2009, U.S. Dept of Education made available a template for this calculator that institutions may use; see:

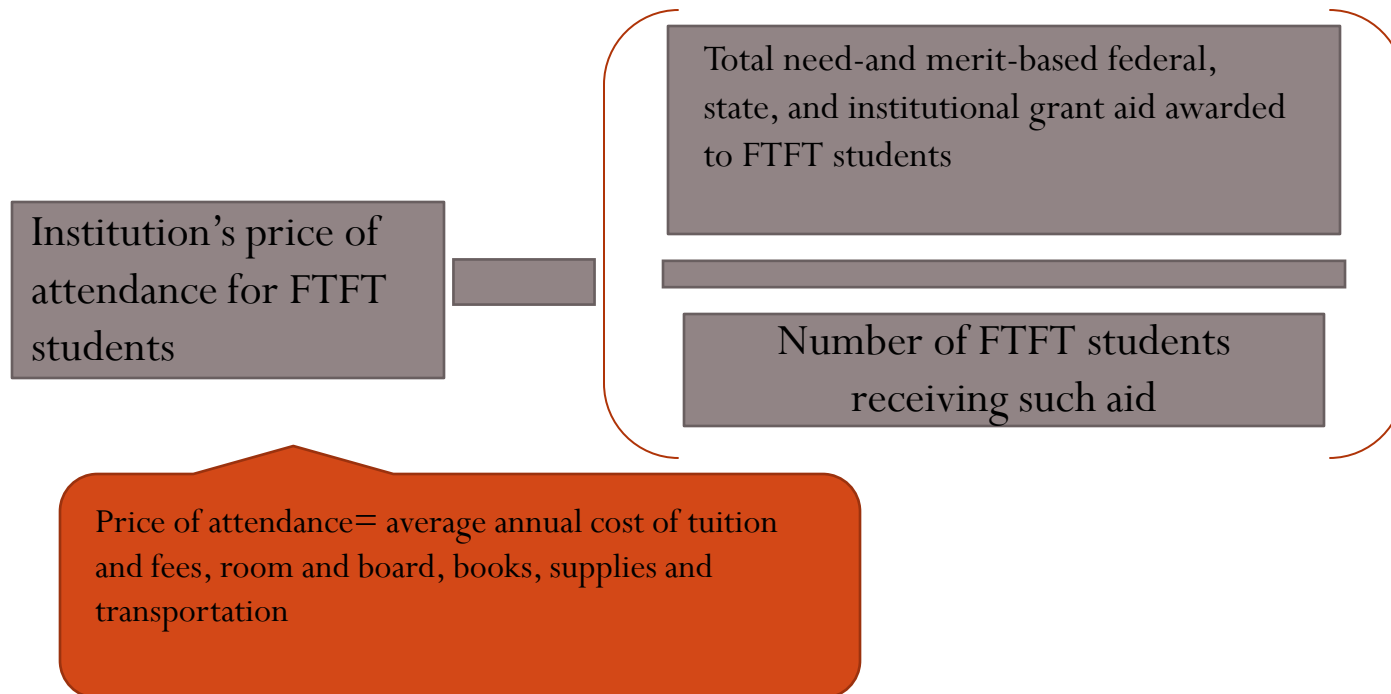
<http://www.ed.gov/policy/highered/leg/hea08/index.html>

- Institutions have 2 years from the release of the template to post their calculator – date for compliance is October 29, 2011.

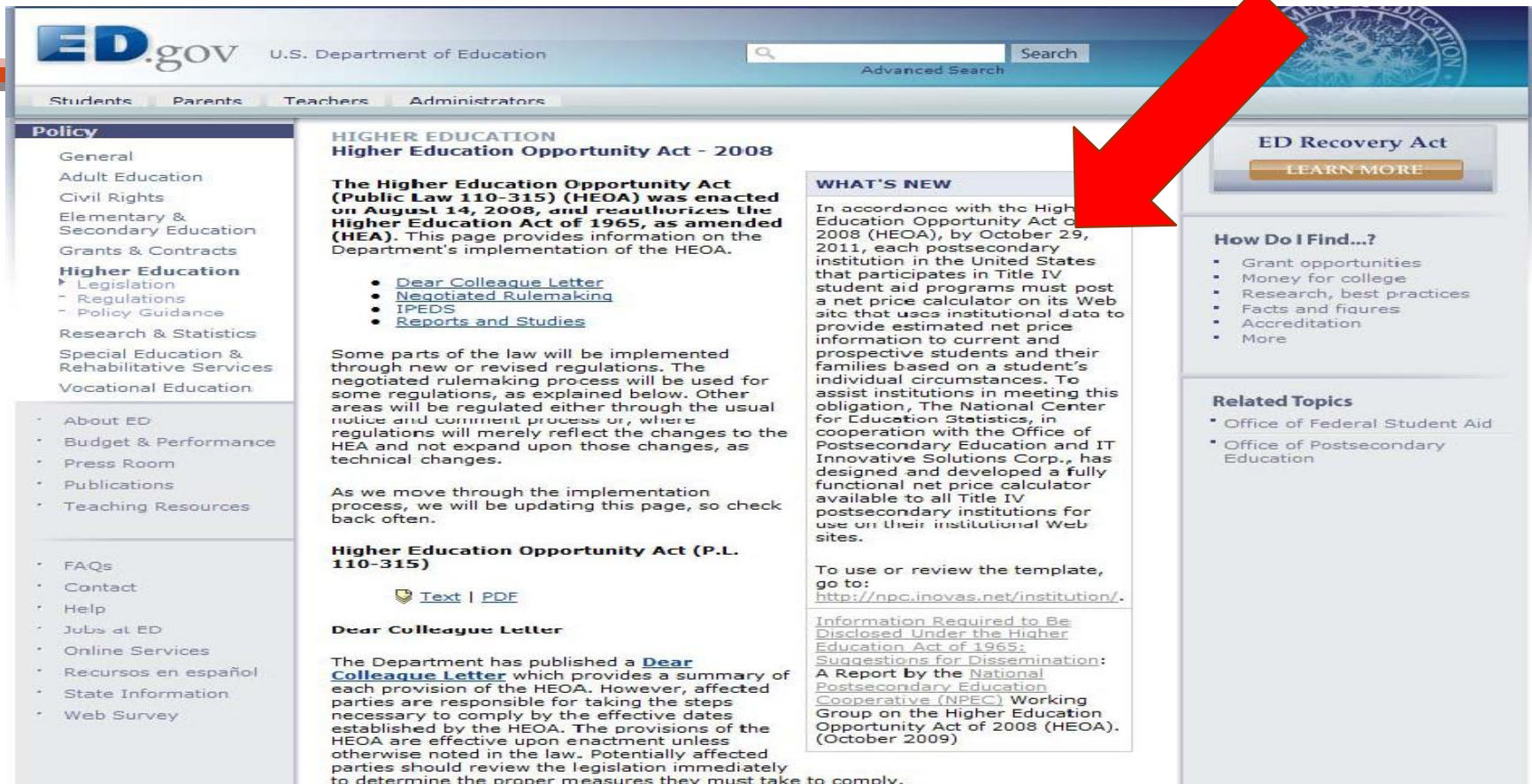
- An institution may use either the net price calculator developed by Department or it may develop its own

- Institutionally developed calculators must include “at a minimum the same data elements” found in the Department template

Definition of Net Price



<http://www.ed.gov/policy/highered/leg/hea08/index.html>



ED.gov U.S. Department of Education

Students Parents Teachers Administrators

Policy

- General
- Adult Education
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HIGHER EDUCATION
Higher Education Opportunity Act - 2008

The Higher Education Opportunity Act (Public Law 110-315) (HEOA) was enacted on August 14, 2008, and reauthorizes the Higher Education Act of 1965, as amended (HEA). This page provides information on the Department's implementation of the HEOA.

- [Dear Colleague Letter](#)
- [Negotiated Rulemaking](#)
- [IPEDS](#)
- [Reports and Studies](#)

Some parts of the law will be implemented through new or revised regulations. The negotiated rulemaking process will be used for some regulations, as explained below. Other areas will be regulated either through the usual notice and comment process or, where regulations will merely reflect the changes to the HEA and not expand upon those changes, as technical changes.

As we move through the implementation process, we will be updating this page, so check back often.

Higher Education Opportunity Act (P.L. 110-315)

[Text](#) | [PDF](#)

Dear Colleague Letter

The Department has published a [Dear Colleague Letter](#) which provides a summary of each provision of the HEOA. However, affected parties are responsible for taking the steps necessary to comply by the effective dates established by the HEOA. The provisions of the HEOA are effective upon enactment unless otherwise noted in the law. Potentially affected parties should review the legislation immediately to determine the proper measures they must take to comply.

WHAT'S NEW

In accordance with the Higher Education Opportunity Act of 2008 (HEOA), by October 29, 2011, each postsecondary institution in the United States that participates in Title IV student aid programs must post a net price calculator on its Web site that uses institutional data to provide estimated net price information to current and prospective students and their families based on a student's individual circumstances. To assist institutions in meeting this obligation, The National Center for Education Statistics, in cooperation with the Office of Postsecondary Education and IT Innovative Solutions Corp., has designed and developed a fully functional net price calculator available to all Title IV postsecondary institutions for use on their institutional Web sites.

To use or review the template, go to:
<http://npc.inovas.net/institution/>.

[Information Required to Be Disclosed Under the Higher Education Act of 1965: Suggestions for Dissemination: A Report by the National Postsecondary Education Cooperative \(NPEC\) Working Group on the Higher Education Opportunity Act of 2008 \(HEOA\). \(October 2009\)](#)

ED Recovery Act
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How Do I Find...?

- Grant opportunities
- Money for college
- Research, best practices
- Facts and figures
- Accreditation
- More

Related Topics

- Office of Federal Student Aid
- Office of Postsecondary Education

Developing the Template

The Process

- On January 27-28, 2009, RTI International (NCES contractor) held a Technical Review Panel meeting
- The panel members included 58 individuals representing the federal government, state governments, institutions (financial aid and IR), data users, association representatives, and others
- Summary of TRP suggestions was posted for 30-day comment period which ended May 31, 2009

TRP Goals and Discussion Points

- Keep template simple and usable for all Title IV institutions (from smallest cosmetology college to largest research university)
- Recognize that institutions have an interest in customizing their calculators and making them more precise, as much as they are able
- This led to a discussion around:
 - HEOA requirements and definitions
 - Minimum data elements
 - Data behind the calculator
 - How template would function

Data for Students to Enter

1. Age
2. Marital Status
3. Children
4. Family Size
5. Number of Family Members in College
6. Parent Income for Dependents (or Household Income for Independents)
7. Living Status (on campus, off campus, or with parents)
8. Residency Status (in-state or out-of-state)

Data for School to Provide

1. Estimated Total Price of Attendance
2. Estimated Tuition and Fees
3. Estimated Room and Board
4. Estimated Books and Supplies
5. Estimated Other Expenses (Including Personal Expenses and Transportation)
6. Total Estimated Merit- and Need-based Grant Aid
7. Estimated Net Price (Price of Attendance minus Grant Aid)

Development

- Contractor: Westat; Subcontractor: IT Innovative Solutions
- Developed based on TRP suggestions and guidance from NCES and OPE
- Tested with campus and association representatives –feedback generally positive; some “tweaking”
- Released October 29

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](#)



Student Application On Institution's Website

Opening screen

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](#)

Final screen

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:	\$39,200
a. Estimated tuition and fees	\$28,600
b. Estimated room and board	\$8,500
c. Estimated books and supplies	\$1,250
d. Estimated other expenses (Personal expenses, transportation, etc.)	\$850
Estimated total grant aid: (Includes both merit and need based aid)	\$17,560
Estimated net price: (Price of attendance minus grant aid)	\$21,640

[Previous](#) [Start Over](#)

Please Note: The estimates above apply to **full-time, first-time undergraduate students** only. Institution-provided caveat #1

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.

Not all students receive financial aid. In 2008-09, 0% 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/>. Institution-provided caveat #2

Institution-provided caveat #3

Next Steps for Institutions

Suggestions from Institutional Representatives

- Make sure relevant offices know about this *requirement*
- Start discussions now about whether to
 1. use Department template
 2. use template developed by outside organization (e.g. VSA)
 3. develop your own calculator
- Find out what peers will be doing (impacts how your net price looks to students when they compare it with peer net prices)
- Do preliminary analysis of data for Department template:
 - Identify cells with large variance (template won't work well for these, so you may want to augment the template in some way)
 - Identify factors that most affect net price for your students (e.g., scholarships and other non-need-based grants)
 - Identify cells with small N's

Suggestions from Institutional Representatives

- Assign responsibility for development and funding
- Develop timeline & who does what (programming, testing, updating future years, marketing)
- Select an update date & process that fit admissions calendar & availability of data
- Make sure all relevant parties have signed off on plan
- Consider posting two calculators if you have students applying at the same time for two different academic years
- Decide where on institutional web site the link to the calculator will be located and how it will be advertised
- Decide what explanations to add on the output screen(s)

Assistance for Downloading Application

Net Price Calculator

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[Continue](#)



Net Price Calculator Info Center

- Presentations, Papers and Articles -view and/or download PowerPoints, Webinars, manuscripts, and more to learn more about the net price calculator from various perspectives.
- Links -An index of relevant links to resources at various Web sites
- Implementation Status of Non-Federal Organizations -This section presents status reports provided by various vendors, for example VSA calculator
- FAQ-Don't reinvent the wheel. Your colleague may already have asked your question. Find answers to many frequently asked questions about the new standards.
- Discussion Forum-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. Questions and answers from this BLOG will be added to FAQ.

Questions?
