

COLLEGE COSTS UNCOVERED

An Examination of the Accuracy of College Cost of Attendance Budgets and Implications for Student Success



October 2, 2024



Housekeeping

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- Attendees may turn on or disable **closed captioning**.
- Submit questions in the **"Q&A"** section at any time. Questions will be answered out loud by presenters **at the end** of the webinar. Chat is not available for this webinar.



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COLLEGE COSTS UNCOVERED:

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College Cost of Attendance Budgets
and Implications for Student Success



October 2024

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ACKNOWLEDGEMENTS



Contributors and Reviewers

- California Student Aid Commission
- California public higher education systems
- Dr. Robert Kelchen



Supporters

- Angell Foundation
- College Futures Foundation
- Kresge Foundation

AGENDA

1. What is Cost of Attendance & Why Is It Important?
2. Research Overview & Methodology
3. Findings & Recommendations
4. Q&A

COST OF ATTENDANCE

What is Cost of Attendance & Why Is It Important?

COST OF ATTENDANCE

An institution of higher education's determination of what a student has to pay to attend that college each year and includes both tuition and non-tuition expenses.

Federal Guidance:



Attendance Status

Full Time/Part Time



Housing Arrangements

On-campus housing

Living with family

Living off-campus independently

COST OF ATTENDANCE

Federal Guidance: Included Costs



Tuition & Fees



Food & Housing



Books & Supplies



Transportation



Miscellaneous
Personal
Expenses

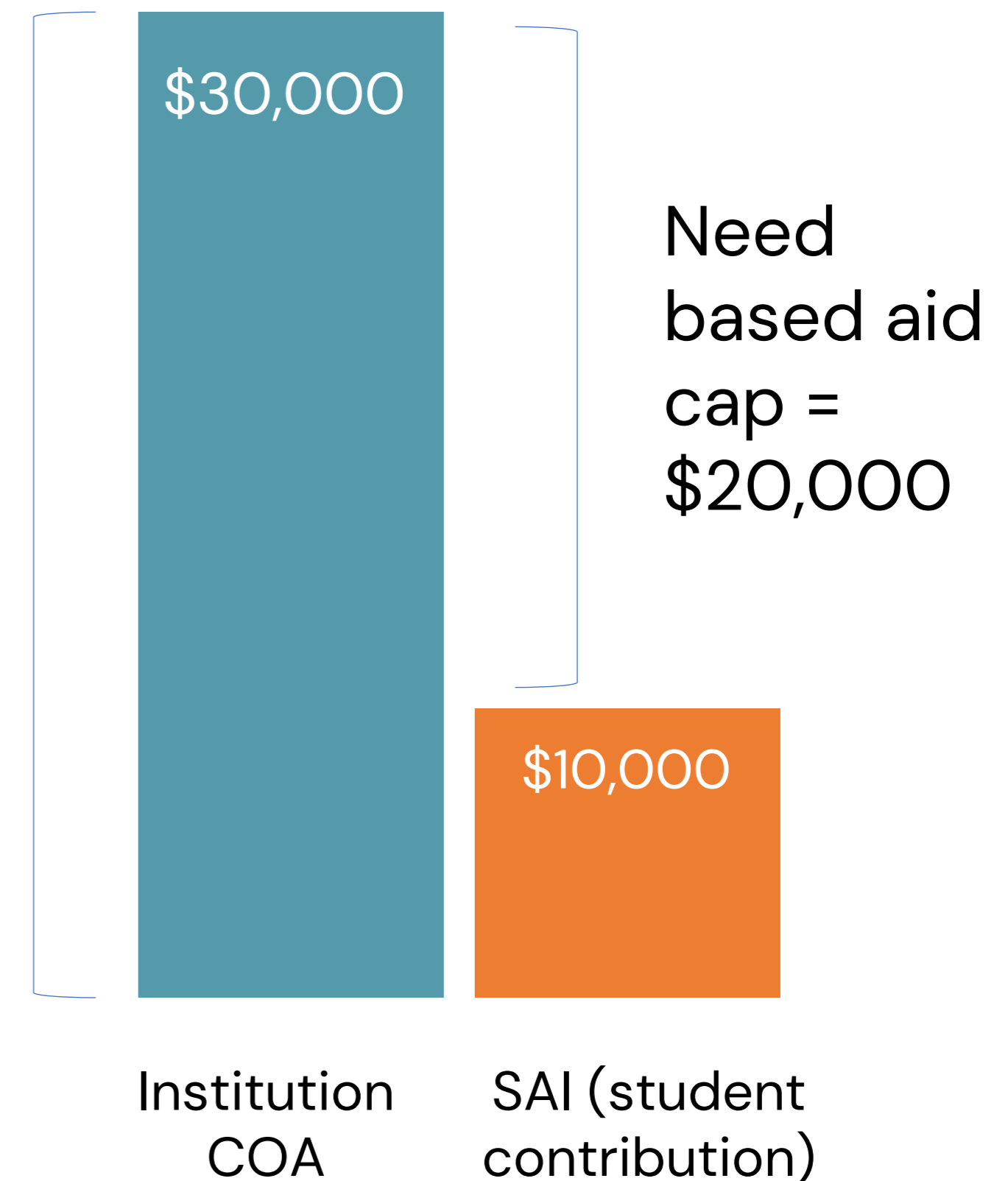
COST OF ATTENDANCE

COA budgets determine the maximum amount of financial aid students can receive.

Example: A student whose COA is \$30,000 and whose required contribution (SAI) is \$10,000 can receive:

- \$30,000 in total aid
- \$20,000 in need-based aid

Total aid cap = \$30,000

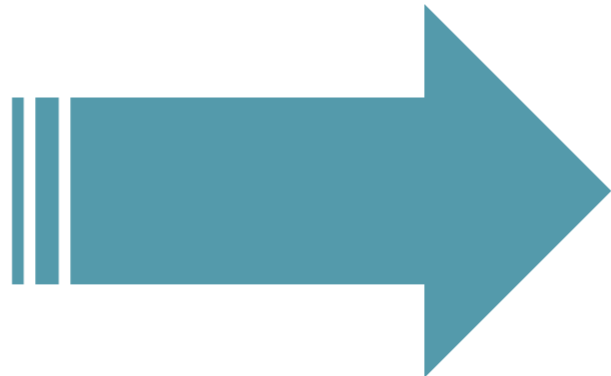


How is Cost of Attendance Determined?

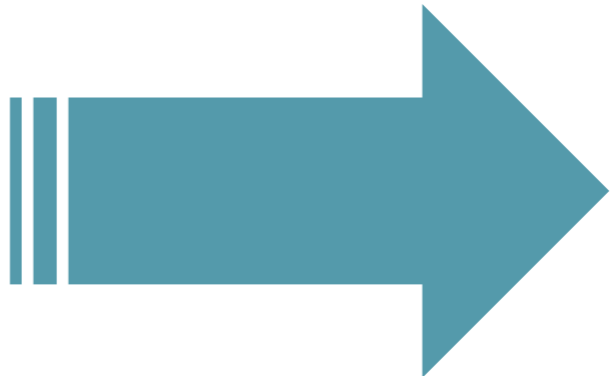
California Student Aid Commission
Student Expense Budgets

Federal, Proprietary or Regional Data

Student Surveys



Financial Aid Offices



COST OF ATTENDANCE ADJUSTMENTS

- Financial aid administrators have the authority to use professional judgment to make COA adjustments for individual students on a documented, case-by-case basis.
- Students can submit an appeal to increase the impacted component of their COA.



COST OF ATTENDANCE ADJUSTMENTS

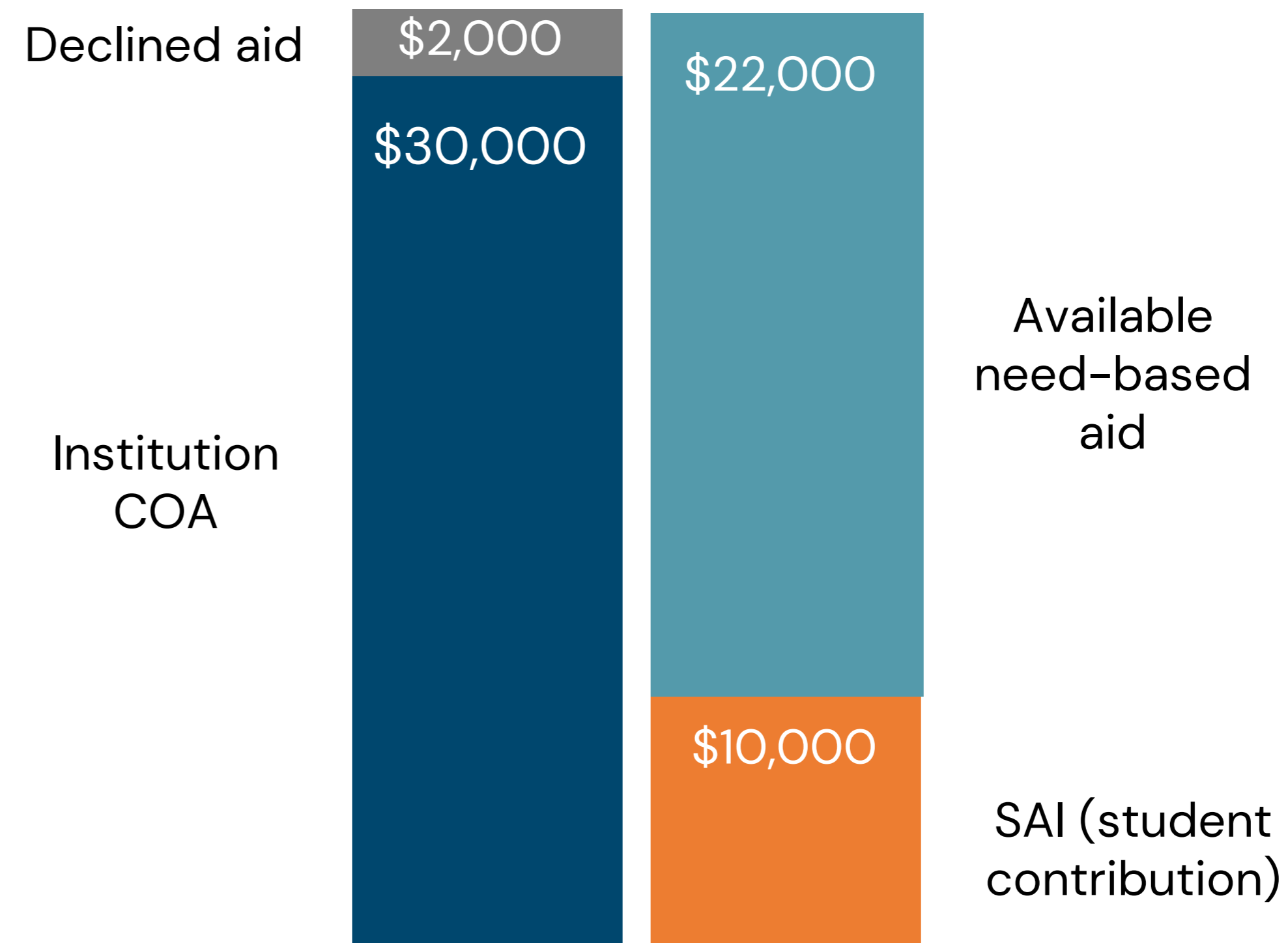
- Under the FAFSA Simplification Act, **all institutions are now required to take steps to promote professional judgment and are no longer allowed to deny all requests of a specific type or set deadlines** by which students must submit requests.



IMPLICATIONS OF INACCURATE COST OF ATTENDANCE

Students may be forced to decline available aid despite having actual costs.

Example: Student qualifies for \$22,000 in need-based aid and has real costs of \$32,000, but because of the COA limit must decline \$2,000 and instead cover those expenses through work or costly private borrowing (e.g., credit card debt)



Krystle's Story



Ella: A Foster Youth Coordinator's Perspective



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Research Overview & Methodology



Are cost of attendance budgets accurate?



How accessible are cost of attendance adjustment policies?

METHODOLOGY



Utilized publicly available data sets to estimate actual non-tuition costs for students living off campus independently



Campus website review of COA budgets & adjustment policies



Interviews with financial aid administrators & foster youth support program staff

METHODOLOGY: Data Sources



Food & Housing

Rent	US Department of Housing and Urban Development
Utilities Food	BLS Consumer Expenditure Survey Data
Internet	Broadband Now

METHODOLOGY: Data Sources

Transportation

Vehicle Expenses	BLS Consumer Expenditure Survey Data
Parking	Campus websites
Public Transportation	Local transit websites

METHODOLOGY: Data Sources

	Books and Supplies	College Board – Trends in College Pricing
	Personal Expenses	BLS Consumer Expenditure Survey Data

METHODOLOGY: Key Assumptions

- Housing is **50% of a two-bedroom apartment & utilities** (HUD 50th percentile rents)
- Transportation is the **halfway point** between the cost of driving a car and the cost of public transportation (monthly bus pass)
- **Personal expenses** include expenses for laundry and cleaning supplies, college-related extracurricular expenses (fees and admissions), personal care products and services, apparel (clothing and shoes), and cell phone service.



METHODOLOGY: Key Assumptions



For comparisons of average COA budgets across regions and higher education systems, this report calculated **weighted averages** using fall 2023 enrollment data.

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Findings

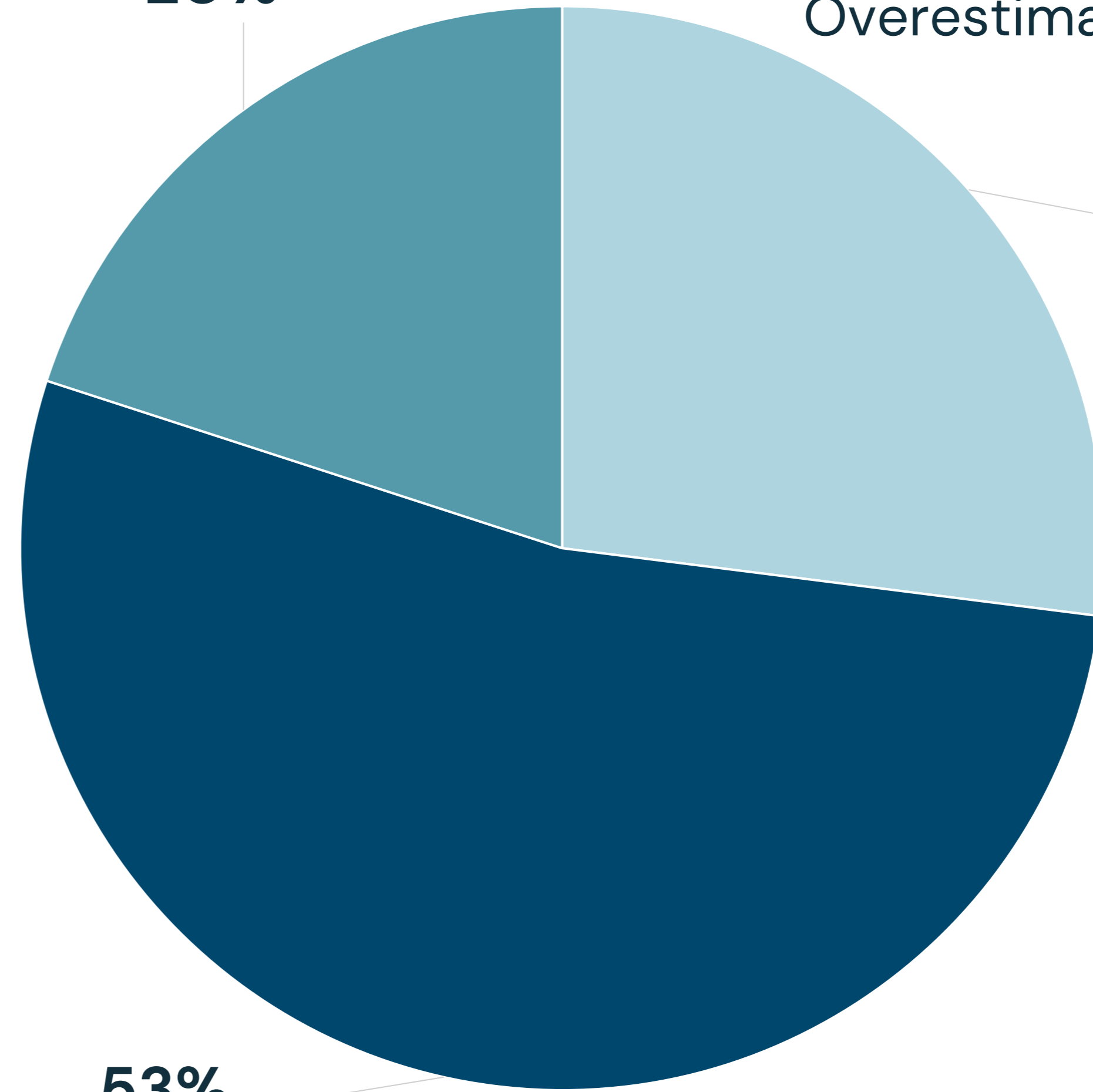
Over half of colleges use COA budgets that **are lower** than estimated regional costs.

Less than 5% Difference

20%

Overestimate (more than 5%)

27%



53%

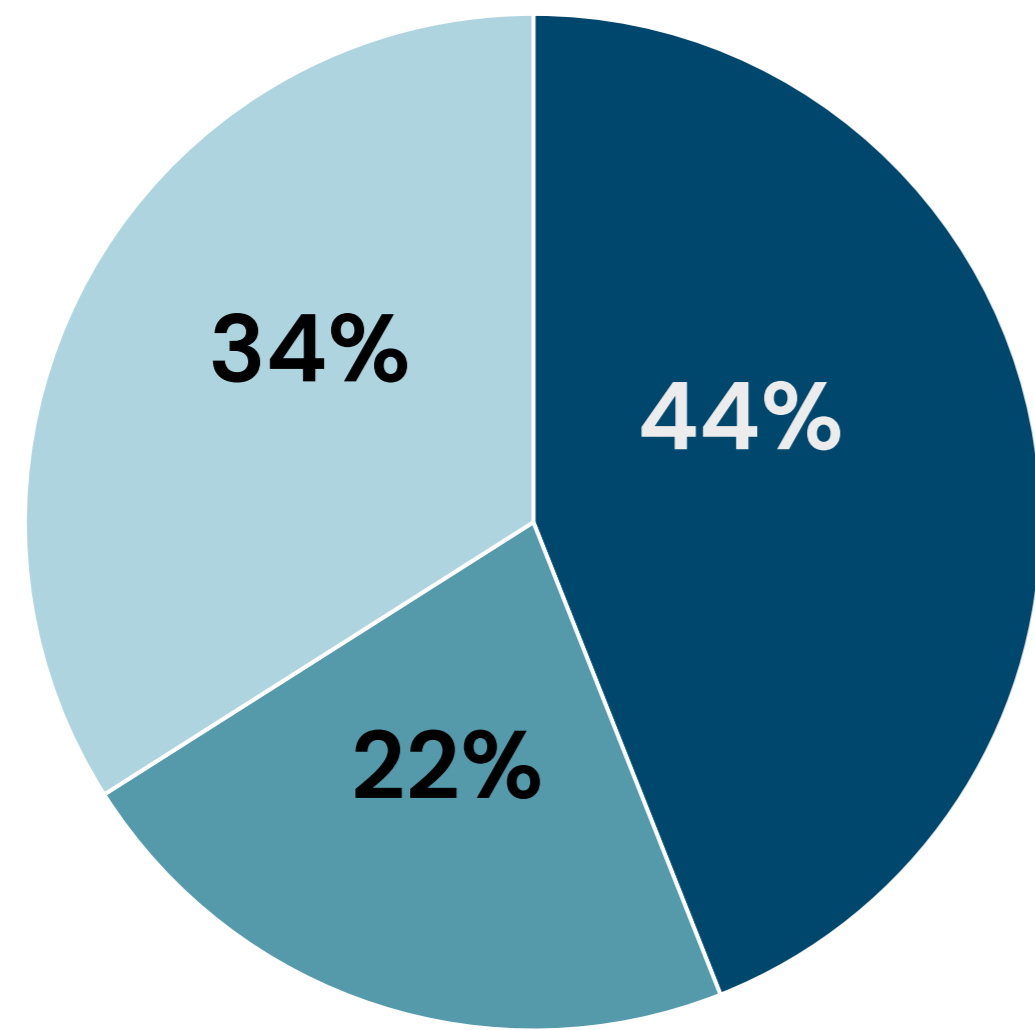
Underestimate (more than 5%)

Over half of colleges use COA budgets that are lower than estimated regional costs.

Sample Comparison: College in the Greater San Diego Area

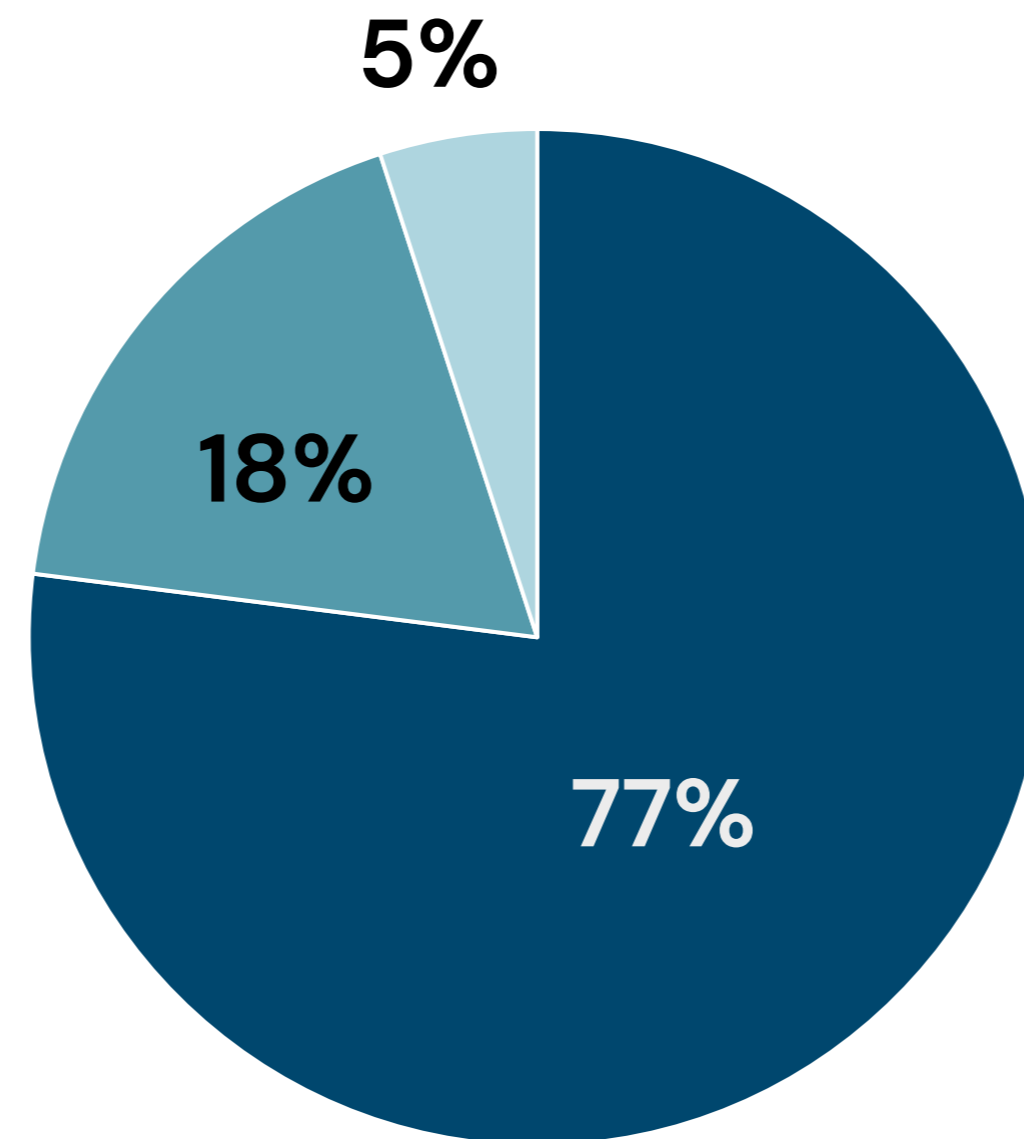
Published COA	\$23,210	Difference of: \$7,967
COA Estimated by Report Methodology	\$31,177	

Community Colleges



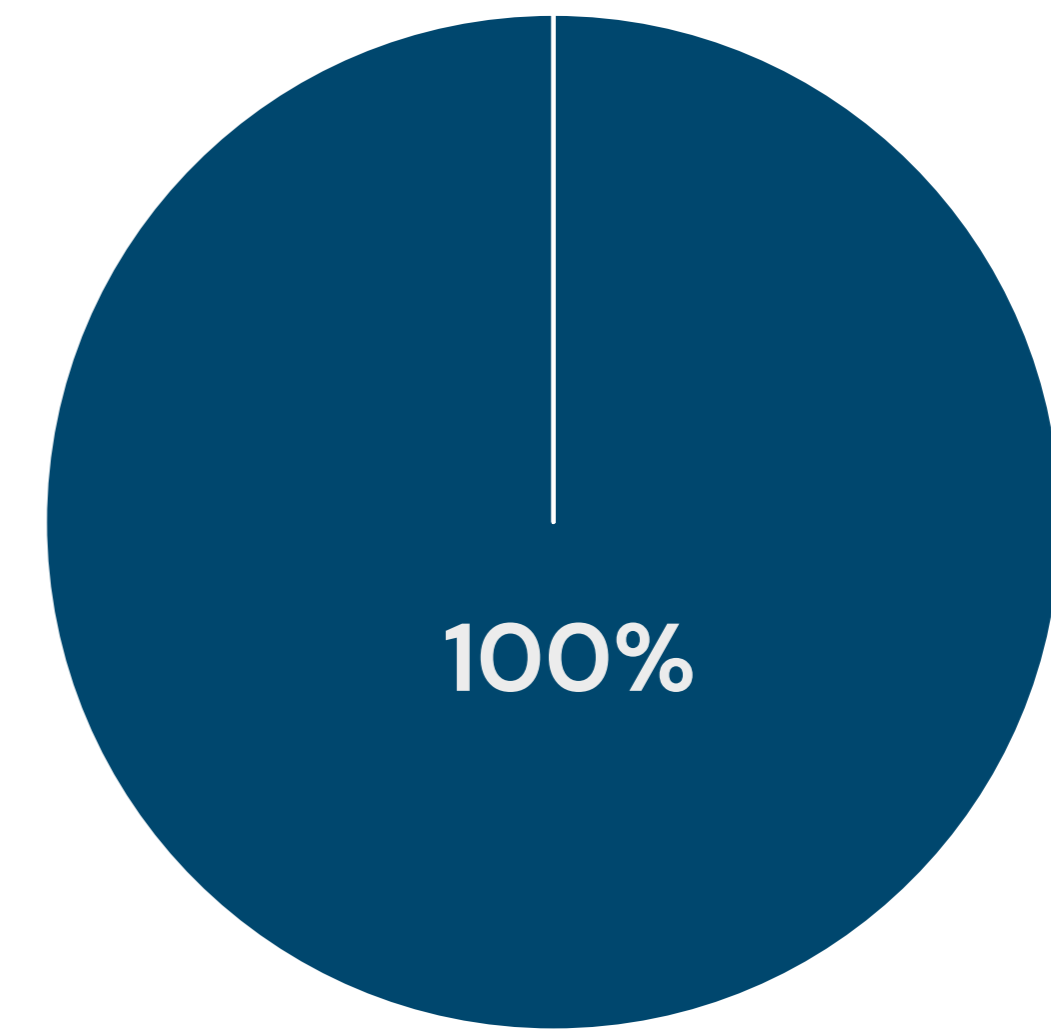
■ Less than 5% Difference

CSU



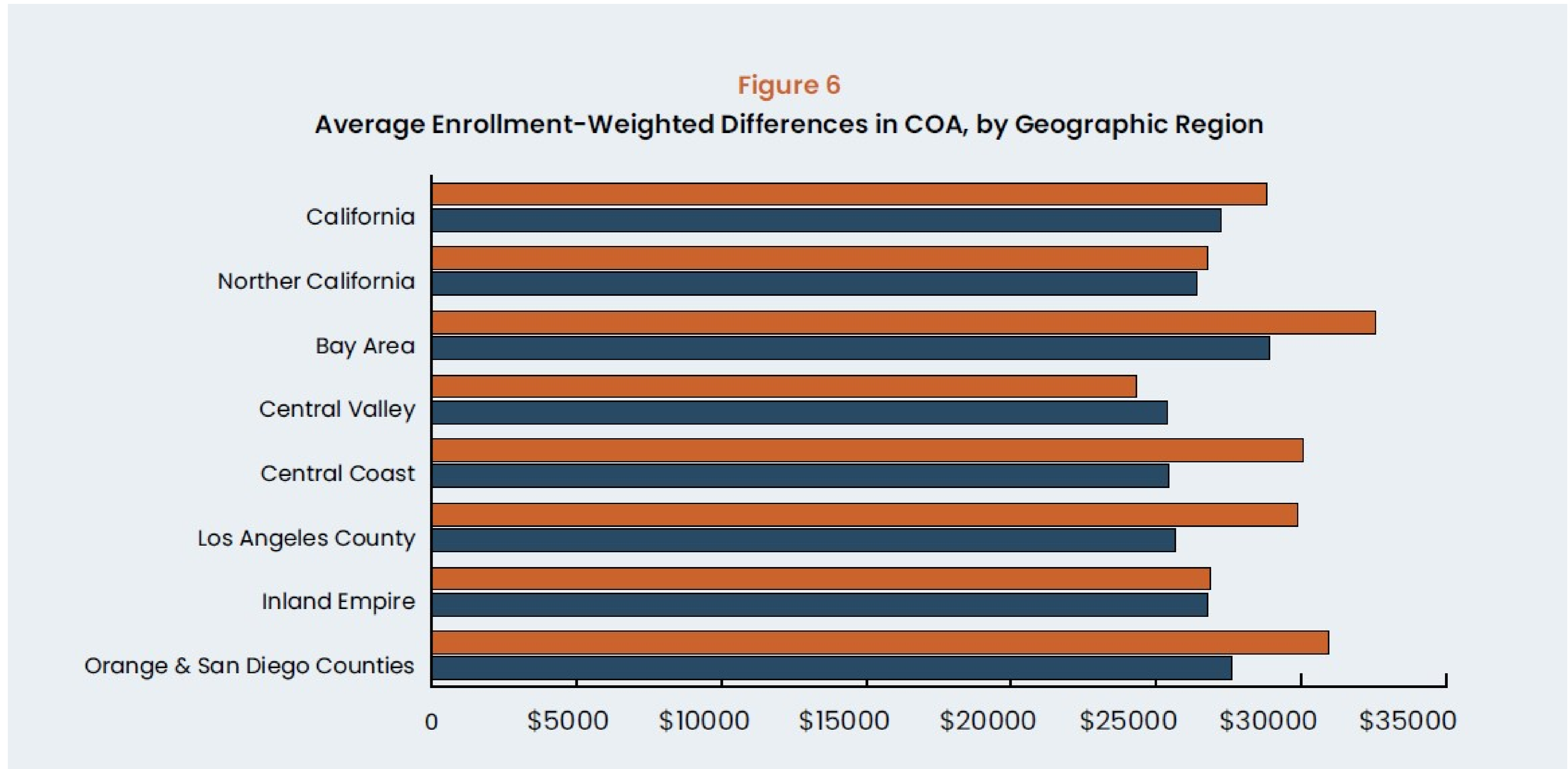
■ Overestimate (5% or more)

UC



■ Underestimate (5% or more)

Regional Differences



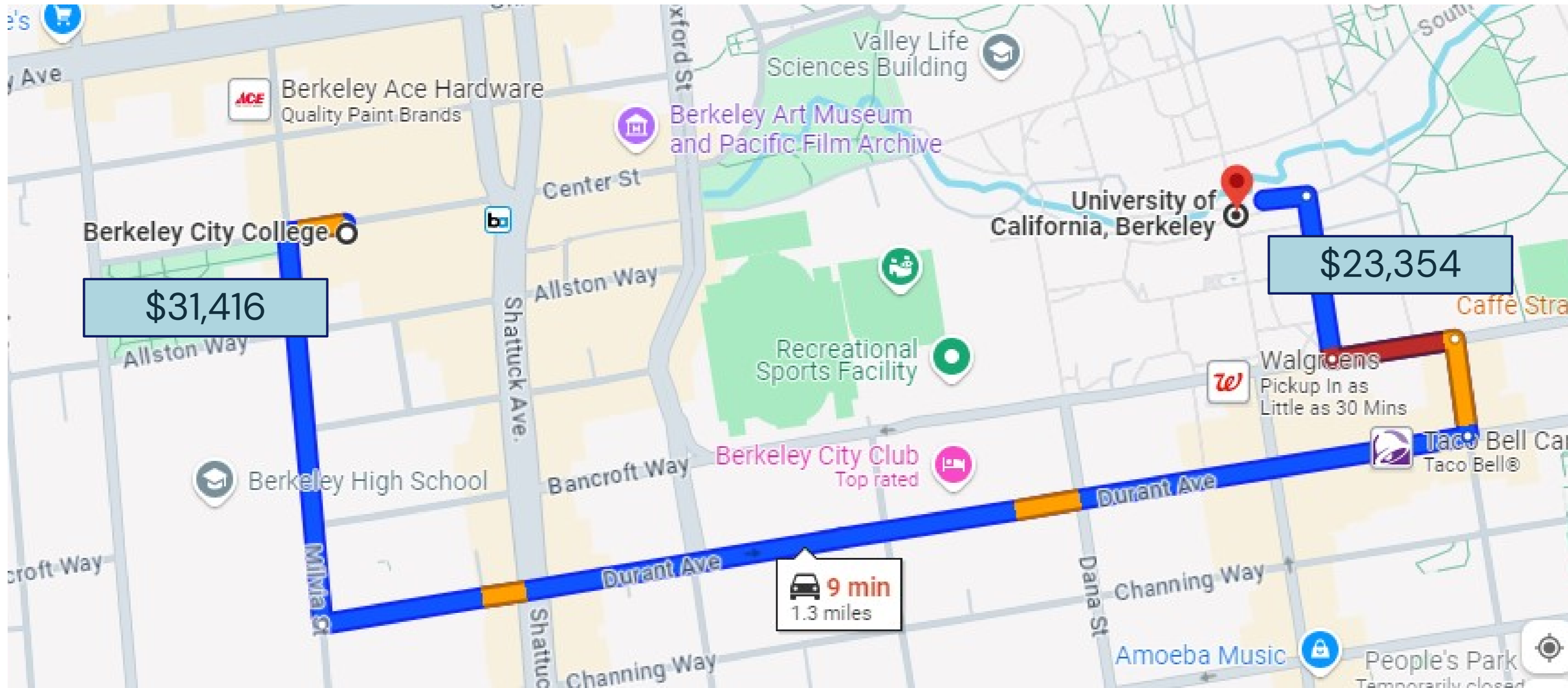
Report Methodology

Published COA

At almost one-third of colleges, COA budgets **have not** kept pace with inflation.

Percentage Change Between AY 2017-18 and AY 2022-23	Living Expenses (Food & Housing)	Books & Supplies	Other Expenses	Total Non-Tuition Costs
Covers at least CPI	88%	9%	37%	70%
Does NOT cover CPI	12%	91%	63%	30%

There is **no universal methodology** for calculating non-tuition costs, leading to large inconsistencies across institutions.



Colleges do **not typically make information about how COA figures are calculated accessible**, and some colleges rely on a net price calculator tool rather than post COA budgets.

2023-2024 Student College Budget (9 months) - California Residents		
Budget Components	With Parents, Without Dependents	All Others
Food and Housing	\$10,125	\$19,431
Miscellaneous Personal Expenses	\$3,609	\$4,428
Tuition and Fees (Based on 14 units per semester)	\$1,354	\$1,354
Books, Course Materials, Supplies, and Equipment	\$938	\$938
Transportation	\$1,611	\$1,764
Total	\$17,637	\$27,915



Information about COA adjustment policies was not located for nearly **two-thirds of institutions**, and the accessibility and quality of the information provided for the remaining institutions varied.



Many institutions **likely are out of compliance** with recently enacted federal changes

There is a **wide variation** in financial aid directors' attitudes about COA budgets and willingness to think creatively about COA adjustments.

This is a ramen COA and not an every-day-steak COA

We know unexpected expenses happen and there are things we can do to help.

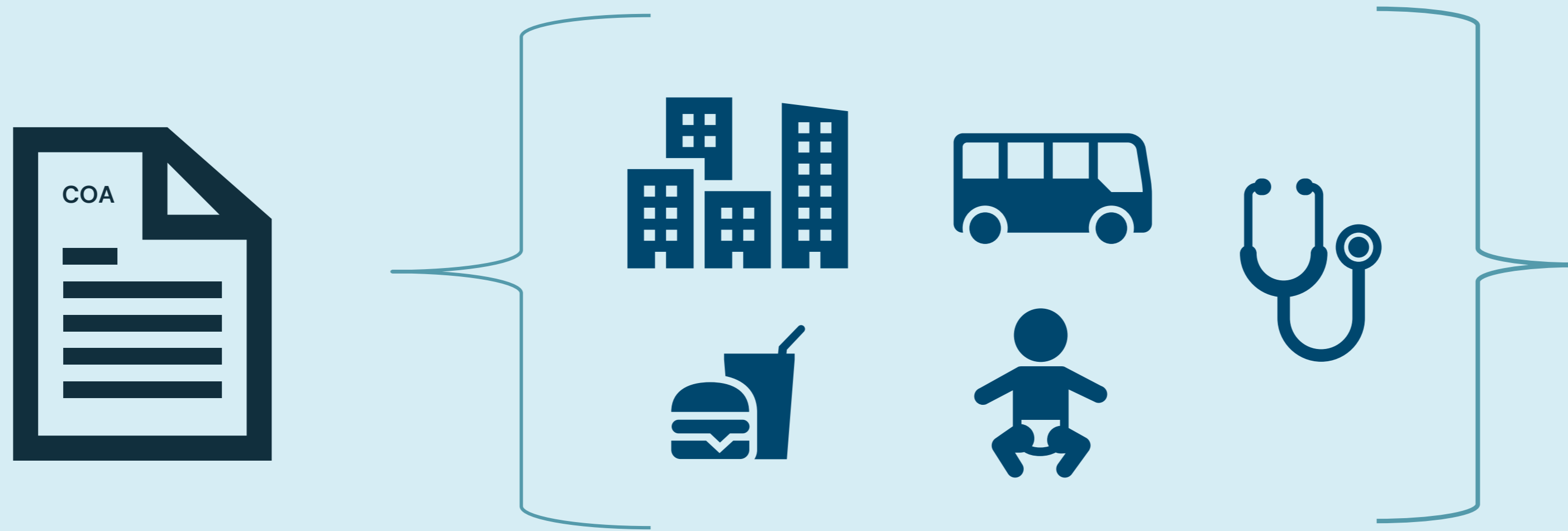
Erin's Story



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Recommendations : Institutional
Practices & Policies

Institutional Practices & Policies

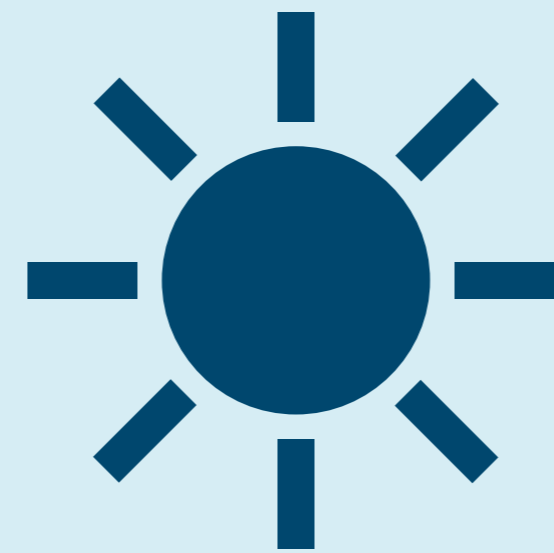


Colleges should **be transparent** about expenses included in COA budgets and **utilize multiple sources** to calculate them, erring toward higher numbers where there is variation.

Institutional Practices & Policies



Broadly define the allowable bases for making COA adjustments.



Clearly advertise policy for making COA adjustments on websites and in financial aid award letters.



Confirm all COA policies and practices **comply with statutory requirements.**

Promising Practices

CSUDH

CALIFORNIA STATE UNIVERSITY
DOMINGUEZ HILLS

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Recommendations : State Policies

State Policies



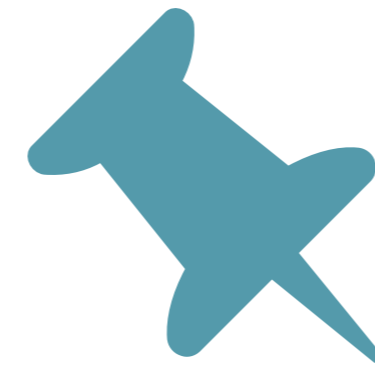
Ensure that all college and university systems establish a **consistent and clear methodology** to develop campus COA budgets that reflect the needs of student populations.

State Policies

Create a requirement to support students' access to COA adjustments by requiring that institutions:



Prominently display information about COA adjustments in transparent and understandable language on key web pages and in financial aid award letters



Specify the types of adjustments that must, at a minimum, be considered



Accept a documented conversation about the need for a COA adjustment as sufficient documentation when obtaining third party verification is not feasible

State Policies



Adequately fund financial aid office administration to construct accurate COA budgets, as well as make COA adjustments in a timely manner for students who request them.

Q&A

Please ask questions using the “Q&A” Zoom function.

THANK YOU

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