

# **Net Price Calculator**

Planning for the New Net Price  
Calculator Required for Institutional  
Web Sites by the Higher Education  
Opportunity Act

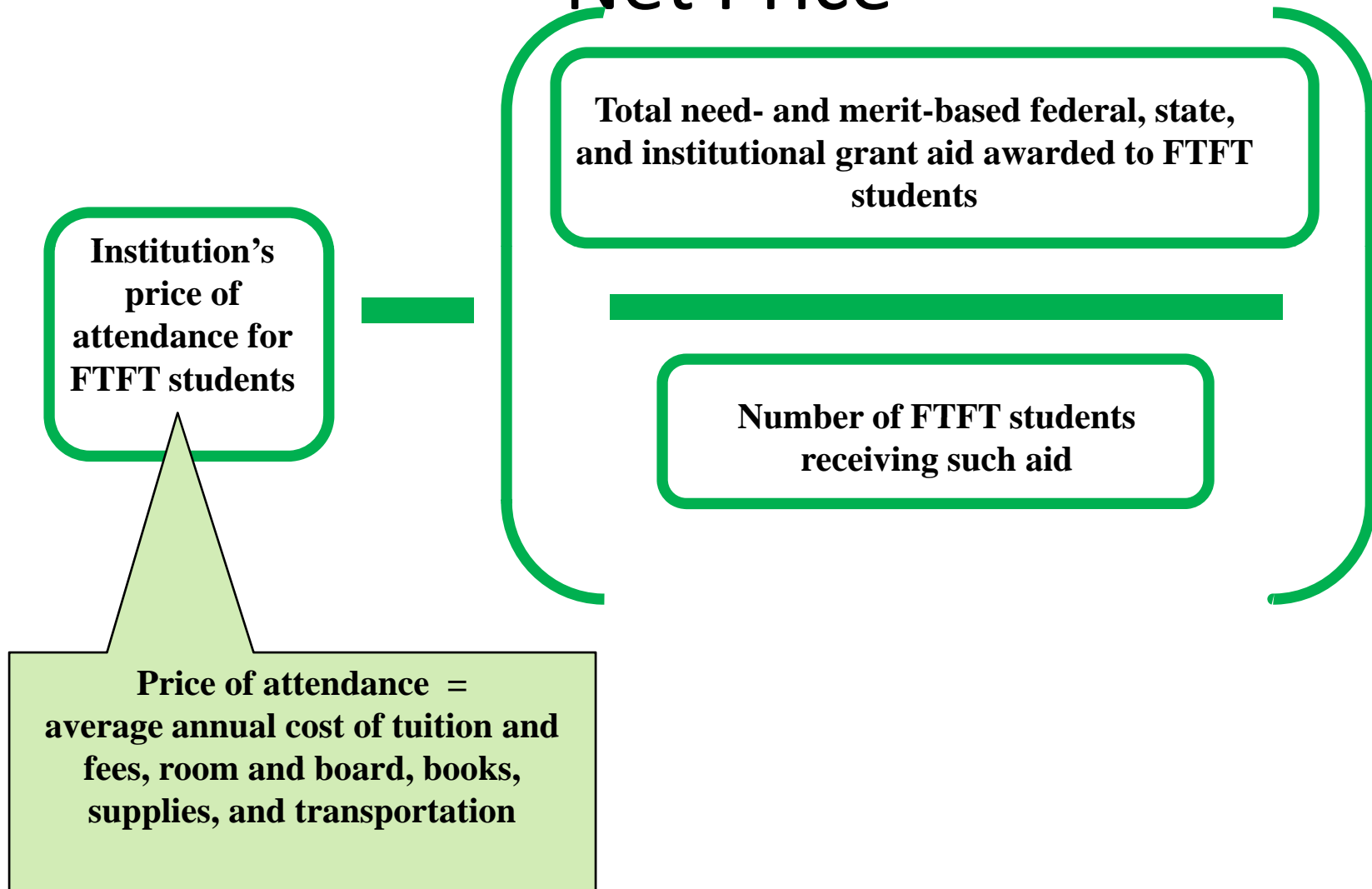
# Higher Education Opportunity Act (HEOA)

- 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
  - “to help current and prospective students, families, and other consumers estimate the individual net price of an institution of higher education for a student” (PL 110-315, sec 132 (h)(1))

# HEOA Net Price Calculator: 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
- 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

# HEOA Net Price Calculator: Definition of Net Price



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March 26, 2010



# Setup Calculator

## 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](#)

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**Note:** The Higher Education Opportunity Act defines net price as the net price for first-time, full-time 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

### 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 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:

- 2007-08
- 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

**Predominant Calendar System:** Academic  
**Representative Year:** 2008-09

### 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

**Predominant Calendar System: Academic**  
**Representative Year: 2008-09**

### 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	Amount		
	On-campus	Off-campus not with family	Off-campus with family
Total	24	24	24
Tuition and required fees	6	6	6
Books and supplies	6	6	6
Room and board	6	6	6
Other (personal, transportation, etc.)	6	6	6

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	Amount		
	On-campus	Off-campus not with family	Off-campus with family
\$0	20	20	20
\$1-1,000	20	20	20
\$1,001-2,500	20	20	20
\$2,501-5,000	20	20	20
\$5,001-\$7,500	20	20	20
\$7,501-\$10,000	20	20	20
\$10,001-\$12,500	20	20	20
\$12,501-\$15,000	20	20	20
\$15,001-\$20,000	20	20	20
\$20,001-\$30,000	20	20	20
\$30,001-\$40,000	20	20	20
>\$40,000	20	20	20
Non-FAFSA filers/unknown EFC	20	20	20

## 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/>.

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)?

## 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.)

• <b>Representative Year</b>	2008-09
• <b>Predominant Calendar System</b>	Academic
• <b>Institutionally Controlled Housing</b>	Yes
• <b>Housing Restrictions for Full-Time, First-Time Undergraduates</b>	No
• <b>Tuition Based on Residency Status</b>	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	24	24	24
Tuition and required fees	6	6	6
Books and supplies	6	6	6
Room and board	6	6	6
Other (personal, transportation, etc.)	6	6	6

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

EFC Range	Amount		
	On-campus	Off-campus not with family	Off-campus with family
\$0	20	20	20
\$1-1,000	20	20	20
\$1,001-2,500	20	20	20
\$2,501-5,000	20	20	20
\$5,001-\$7,500	20	20	20
\$7,501-\$10,000	20	20	20
\$10,001-\$12,500	20	20	20
\$12,501-\$15,000	20	20	20
\$15,001-\$20,000	20	20	20
\$20,001-\$30,000	20	20	20
\$30,001-\$40,000	20	20	20
>\$40,000	20	20	20
Non-FAFSA filers/unknown EFC	20	20	20

\* Indicates that the number shown was generated/inserted by the system.

• <b>Percentage of Full-Time, First-Time Undergraduates Receiving Aid</b>	100%
• <b>Explanation #1</b>	We give everyone \$20.
• <b>Explanation #2</b>	Come to school here, and you, too, will receive \$20.
• <b>Explanation #3</b>	Are you sure you don't want \$20? I can't understand why anyone would not want \$20.

Modify

Continue

# NET PRICE CALCULATOR

2) Demo

b. Publish Calculator



\$5,001-\$7,500	20	20	20
\$7,501-\$10,000	20	20	20
\$10,001-\$12,500	20	20	20
\$12,501-\$15,000	20	20	20
\$15,001-\$20,000	20	20	20
\$20,001-\$30,000	20	20	20
\$30,001-\$40,000	20	20	20
>\$40,000	20	20	20
Non-FAFSA filers/unknown EFC	20	20	20

† Indicates that the number shown was generated/inserted by the system.

• **Percentage of Full-Time, First-Time Undergraduates Receiving Aid**

100%

- **Explanation #1**
- **Explanation #2**
- **Explanation #3**

We give everyone \$20.

Come to school here, and you, too, will receive \$20.


Are you sure you don't want \$20? I can't understand why anyone would not want \$20.

Modify

Continue

**Opening NetPriceCalculator.zip**

You have chosen to open

 **NetPriceCalculator.zip**  
 which is a: Zip file  
 from: http://npc.inovas.net

What should Firefox do with this file?

Open with

**Save File**

Do this automatically for files like this from now on.

# NET PRICE CALCULATOR

2) Demo

c. Use Calculator



## 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

**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?**

Yes  No

**Age:**

**How old are you?**

**Living arrangement:**

**Where do you plan to live while attending this institution?**

- On-campus (in a residence hall, dormitory, or on-campus apartment)
- Living on my own or with a roommate
- Living with my parents or other family members

[Previous](#)

[Continue](#)

## 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

**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

**Step 3:** Based on the information you provided in previous steps, your dependency status is estimated to be **Dependent**. Provide this information and then click Continue.



**Number in Family:** How many people are in your family's household?

(Count yourself, your spouse(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, widowed, 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
- Between \$60,001 - \$70,000
- Between \$70,001 - \$80,000
- Between \$80,001 - \$90,000
- Between \$90,001 - \$100,000
- Above \$100,000

**Student Income:** What is your income?

- \$0
- Between \$1 - \$5,000
- Between \$5,001 - \$10,000
- Between \$10,001 - \$30,000
- Between \$30,001 - \$50,000
- Above \$50,000

[Previous](#)

[Continue](#)

## Net Price Calculator

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 receive your **estimated** net price.



<b>Financial aid</b>	Yes
<b>Age</b>	18
<b>Living arrangement</b>	On-campus (in a residence hall, dormitory, or on-campus apartment)
<b>Marital Status</b>	No
<b>Children</b>	No
<b>Number in Family</b>	4
<b>Number in College</b>	1
<b>Parent Income</b>	Between \$40,001 - \$50,000
<b>Student Income</b>	Between \$1 - \$5,000

[Modify](#)[Continue](#)

## 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

<b>Estimated total price of attendance:</b>	<b>\$24</b>
a. Estimated tuition and fees	\$6
b. Estimated room and board	\$6
c. Estimated books and supplies	\$6
d. Estimated other expenses (Personal expenses, transportation, etc.)	\$6

**Estimated total grant aids:** **\$20**  
(Includes both merit and need based aid)

**Estimated net price:** **\$4**  
(Total of attendance minus grant aid)

Previous

Start Over

**Please Note:** The estimates above apply to **full-time, first-time undergraduate students** only. We give everyone \$20.

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, 100% 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/>. Come to school here, and you, too, will receive \$20.

Are you sure you don't want \$20? I can't understand why anyone would not want \$20.

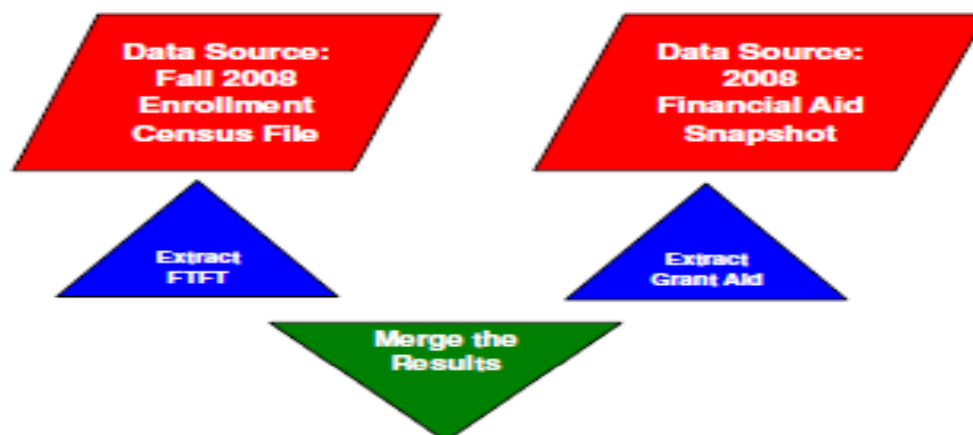
# NET PRICE CALCULATOR

2) Demo

d. Create real data.



## Processing Data for the Net Price Calculator



ID	grantAid	efc	efcBin	housing
P000078106	15,353	354	02)\$1-\$1,000	With Parents
P000081183	17,824	48,546	12)\$40,001+	On Campus
P000084174	9,000	15,819	09)\$15,001-\$20,000	With Parents
P000085135	30,054	3,955	04)\$2,501-\$5,000	On Campus
P000085740	17,000	24,324	10)\$20,001-\$30,000	On Campus
P000086785	18,500	20,638	10)\$20,001-\$30,000	On Campus
P000086920	5,000	25,465	10)\$20,001-\$30,000	With Parents
P000086924	28,972	-	01)\$0	On Campus
P000086928	37,931	643	02)\$1-\$1,000	On Campus
P000086979	16,324	36,729	11)\$30,001-\$40,000	On Campus
P000087000	2,500	39,124	11)\$30,001-\$40,000	With Parents
P000087040	12,391	10,186	07)\$10,001-\$12,500	On Campus
P000087053	27,449	-	01)\$0	On Campus
P000087055	18,000	22,724	10)\$20,001-\$30,000	On Campus
P000087069	29,449	-	01)\$0	On Campus
P000087125	19,728	8,049	06)\$7,501-\$10,000	On Campus
P000087126	16,000	28,797	10)\$20,001-\$30,000	On Campus
P000087134	5,000		99-Unknown	With Parents

...  
...  
...

### Median Federal, State, and Institutional FTFT Grant Aid by EFC and Housing

efcBin			Housing		
			On Campus	Off Campus	With Parents
01) \$0	N	Valid	45	4	4
	Median		27,581	21,968	14,587
02) \$1-\$1,000	N	Valid	16		9
	Median		22,013		17,831
03) \$1,001-\$2,500	N	Valid	17		3
	Median		24,795		18,931
04) \$2,501-\$5,000	N	Valid	14		2
	Median		18,303		13,823
05) \$5,001-\$7,500	N	Valid	11		12
	Median		21,159		11,384
06) \$7,501-\$10,000	N	Valid	12		3
	Median		16,797		10,374
07) \$10,001-\$12,500	N	Valid	7		3
	Median		12,391		9,000
08) \$12,501-\$15,000	N	Valid	3		1
	Median		20,543		7,959
09) \$15,001-\$20,000	N	Valid	4		8
	Median		15,655		7,000
10) \$20,001-\$30,000	N	Valid	19		8
	Median		12,500		7,700
11) \$30,001-\$40,000	N	Valid	8		6
	Median		10,500	8000	6,000
12) \$40,001+	N	Valid	13		5
	Median		6,000		2,500
99) Unknown	N	Valid	2		10
	Median		24,750		5,000

**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	Amount		
	On-campus	Off-campus not with family	Off-campus with family
Total	33722	28610	26610
Tuition and required fees	23360	23360	23360
Books and supplies	1250	1250	1250
Room and board	9112	4000	2000
Other (personal, transportation, etc.)	4000	4000	4000

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

EFC Range	Amount		
	On-campus	Off-campus not with family	Off-campus with family
\$0	27581	21968	14587
\$1-1,000	22013	21768 ‡	17831
\$1,001-2,500	24795	21269 ‡	18931
\$2,501-5,000	18303	20470 ‡	15576 ‡
\$5,001-7,500	21159	19472 ‡	11384
\$7,501-10,000	16797	18474 ‡	10374
\$10,001-12,500	12391	17478 ‡	9000
\$12,501-15,000	20543	16478 ‡	8200 ‡
\$15,001-20,000	15655	14981 ‡	7000
\$20,001-30,000	12500	11989 ‡	7700
\$30,001-40,000	10500	8000	6000
>\$40,000	6000	0 ‡	2500
Non-FAFSA filers/unknown EFC	0 ‡	0 ‡	5000

‡ Indicates that the number shown was generated/inserted by the system.

The Net Price Calculator is  
up-and-running for demo  
purposes at:

<http://iris.georgian.edu/NPC/npcalc.htm>

# NET PRICE CALCULATOR

## 3) Evaluation & Recommendation



# Implications for your institution and deciding whether to use NCES Template or Design Your Own

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*AIR Fellow*

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# Advantages of Using NCES Template

- Meets federal requirements—you are not responsible for how to do EFC calculations and neither will be the students
- It is easy for the consumers to use and understand
- The bottom-line message from the calculator to the user is: “Most likely you will not pay the sticker price if you apply for aid and fill out FAFSA.”
- Data provided by institutions are standardized and estimates from the calculator are consistent
- It is technically easy for institutions to implement (basically all you need to do is to provide the data)
- It gives ample opportunities for institutions to explain
- It can be done faster
- It doesn’t need as much testing
- If peers also use NCES Template, your net price probably will be more comparable

## **Situations When Adopting NCES Template May Make Sense**

- Your institution does not give high merit awards relative to need awards
- You don't have the necessary technical and staff support to develop a more customized tool in the next two years

# Disadvantages of Using NCES Template

- It does not ask for information that the institution will need to determine merit grant if institution offers merit aid
- Because it's a "one-size-fits-all" template, estimated net price probably not as accurate for you as a customized template, especially if you have cells with large variances (e.g., because you award a lot of scholarships)
- Data will be 1-2 years old and therefore NCES template will be an estimator of tuition for a prior year rather than for a future year, and students really want estimates for future years
- It may not reflect your current year student recruitment policy changes

# Situations When Customizing Your Own Calculator May Make Sense

- You intend to use the calculator to achieve your enrollment management goals, especially when you:
  - want to provide more personalized target aid estimator for recruitment purposes
  - already have a financial aid estimator
  - give high merit awards relative to need awards
  - use Institutional Methodology (IM) in computing need
  - have differential tuition (e.g., by program)
  - just revised your aid policies and your prior year data does not fit your current practice
  - want to include loan to convey affordability

# Questions to Ask If Customizing

- What data to use, prior year or future year?
- What type of model?
  1. single set of look-up tables (like NCES's but more detailed)
  2. multiple sets of price and/or grant look-up tables with branching to appropriate table based on extra input variables (e.g., relating to differential tuition or different scholarship levels)—***easiest way to handle large variance in NCES template grant table***
  3. use NCES template for need-based aid only, derive estimate of non-need grants independently, and combine to get total estimate
  4. try to model financial aid awarding algorithm, using future year award parameters

# Questions to Ask If Customizing

- How to balance trade off between accuracy and complexity?
  - Can't make input too complex or students won't use
  - Can't make calculations too complex or too hard to maintain
- Making yourself comparable with your peers by using the same type of net price estimator?
- How about using a 3<sup>rd</sup>-party product (such as College Portrait in Voluntary System of Accountability (VSA) or some other commercial tool as "College Aid Calculator" (CAC)?
  - VSA calculator is for VSA participants only
  - CAC is developed by a commercial software developer

# Other Questions to Ask If Customizing

- What factors can be added to improve estimates?

For example:

- Factors affecting price of attendance (e.g., differential tuition)—or use caveats instead
- Student/family financial information used in institutional methodology for computation of need
- Parameters affecting institutional merit aid (SAT/ACT, GPA, or some other criteria)
- Other scholarships/grants (e.g., ROTC, athletic scholarships)
- Other award parameters used in packaging aid that are not included in NCES template

# What to Do Now

- Make sure relevant offices know about this **requirement** — share AIR FYI (<http://www.airweb.org/?page=1900>)
- Start discussions now about whether to
  1. use NCES template
  2. use template developed by outside organization
  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 NCES 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
  - Identify students with missing EFC & reasons why

# Possible Explanations and Caveats

- Parameters for the estimated price of attendance (e.g., range of credits, room and meal-plan type if on-campus, what is included in personal expenses)
- Academic programs for which calculator's net price estimates are not relevant (e.g., special pricing)
- Groups of students for which net price estimate is not relevant (e.g., graduate students, part-time students, transfer students)
- Note that private scholarships are not included
- Link to institutional financial aid form and web site
- Suggestions on how to compare results from your calculator with results from calculators created by other institutions

# Actions to Take (for both NCES Template and Custom Calculator)

- Obtain higher level administrative support for the implementation
- Identify parties involved in the process (IR, FA, IT, Admission) and start the conversation ASAP
- Assign responsibility for development and funding (if customizing)
- Develop timeline & who does what (programming, testing, updating future years, marketing)
- Select an update date & process that fit admissions calendar & availability of data (especially for customized calculator)
- Make sure all relevant parties have signed off on plan