

Report and Suggestions from IPEDS Technical Review Panel #25 Requirements of the Higher Education Opportunity Act:

Net Price of Attendance

SUMMARY: The technical review panel suggests additions to the IPEDS 2009-2010 survey components that will collect sufficient data necessary to meet the Higher Education Opportunity Act requirements to report data on institutional average net price of attendance and institutional net price of attendance by income categories. Comments from interested parties are due to Janice Kelly-Reid, IPEDS Project Director at RTI International, at ipedstrpcomment@rti.org by December 19, 2008.

On October 28-29, 2008, RTI International, the contractor for the IPEDS web-based data collection system, convened a meeting of the IPEDS Technical Review Panel (TRP), in Washington, DC. The purpose of this meeting was to solicit input from the postsecondary community regarding the addition of data collection items needed to meet Higher Education Opportunity Act (HEOA) reporting requirements for net price of attendance. The panel members included 53 individuals representing the federal government, state governments, institutions, data users, association representatives and others.

Background

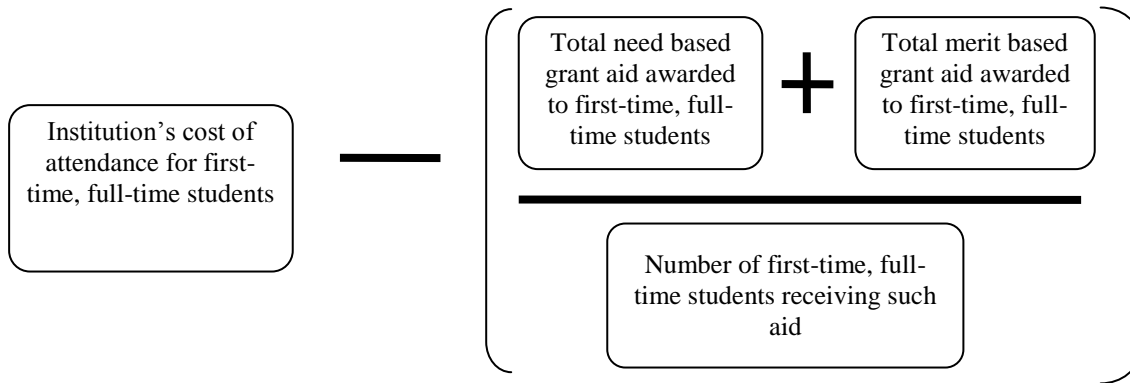
The Higher Education Opportunity Act (HEOA), which was signed into law on August 14, 2008, includes three key items related to net price of attendance. The purpose of these provisions is to increase transparency of college tuition for consumers and accountability for institutions. The HEOA includes three new provisions related to net price that require the U.S. Department of Education to:

- (1) report on the College Navigator website average institutional net price of attendance for first-time, full-time aided students (this also forms the basis for transparency and accountability lists, or so-called “watch lists”);
- (2) report on the College Navigator website the institutional net price of attendance for Title IV aid recipients by income categories; and,
- (3) develop a template for a net price calculator to assist institutions to meet the requirement to post on their website, within two years of development of the template (by approximately August 2011), a calculator that allows individual students to calculate their estimated net price at the institution.

The October 28-29, 2008, IPEDS Technical Review Panel focused on the new data collection needed to meet reporting requirements associated with provisions #1 and #2. In January 2009, the IPEDS Technical Review Panel will meet to discuss the development of a template for a net price calculator for provision #3.

Per the HEOA, net price of attendance is calculated using the following formula:

Calculation of Net Price of Attendance under the HEOA



For the formula above, HEOA defines:

- **Cost of attendance** as the “average annual cost of tuition and fees, room and board, books, supplies, and transportation”; and,
- **Total amount of need-based and merit-based grant aid** as grants from federal, state, and institutional sources.

Currently, not all of the data needed to calculate net price of attendance at the institution level is collected via IPEDS. RTI International called this meeting of the TRP to identify data elements that would need to be added to IPEDS to meet the HEOA net price of attendance data reporting requirements while minimizing the additional reporting burden on institutions.

Discussion

Provision #1: Average Net Price and College Affordability and Transparency Lists

Beginning on July 1, 2010, the Department of Education is required to post three years of average net price data on the College Navigator website for each institution. Average net price data will be reported annually and used to develop three of six “College Affordability and Transparency Lists” related to institutional prices by the nine sectors:

Six “College Affordability and Transparency” lists to be produced:	For each of the following nine sectors:
(1) Highest tuition and fees (top 5%)	(1) Four-year public
(2) Highest percentage increases in tuition and fees (top 5%)	(2) Four-year private, nonprofit
(3) Highest average net prices (top 5%)	(3) Four-year private, for-profit
(4) Highest percentage increases in average net price (top 5%)	(4) Two-year public
(5) Lowest tuition and fees (bottom 10%)	(5) Two-year private, nonprofit
(6) Lowest average net price (bottom 10%)	(6) Two-year private, for-profit
	(7) Less than two-year public
	(8) Less than two-year private, nonprofit
	(9) Less than two-year private, for-profit

The panel discussed the most appropriate data to use to calculate average institutional net price of attendance under the HEOA guidelines.

The two components of net price, as seen in the formula, are cost of attendance and grant aid. Cost of attendance can differ at an institution depending on whether students live on-campus, off-campus with family, or off-campus on their own. While there are different costs of attendance for the different living arrangements, a single average net price of attendance must be calculated for institutions for display on College Navigator and for use in determining the net price college affordability and transparency lists.

For the purpose of calculating the average net price of attendance, the panel suggests that NCES use a weighted cost of attendance based on the proportion of aided students who live on-campus, off-campus, and off-campus with family.

The panel also noted that a distinction exists between grant aid that is awarded (offered), aid that is awarded and accepted, and aid that is disbursed. Students may be offered aid that they do not accept or may leave an institution before their entire aid award is disbursed. The panel suggested that aid awarded and accepted was the more accurate measure for this purpose because it will normalize comparisons. If aid disbursed were used for the calculation, then issues would arise around students who end up attending less than a full academic year.

Based on these discussions, the TRP suggests the following changes to the IPEDS data collection:

Survey Component	Suggestion	Notes for Calculating Net Price of Attendance
Institutional Characteristics (IC)	<p>Continue to report cost of attendance data as currently reported to IPEDS except report on <i>four</i> years of data rather than three to align the cost of attendance data with the SFA data, which lags one year. For example, in Fall 2009, IC will collect cost of attendance data for the following academic years:</p> <ul style="list-style-type: none"> ➤ 2009-10 ➤ 2008-09 ➤ 2007-08 ➤ 2006-07 (new) 	<ul style="list-style-type: none"> ➤ For public institutions, the reported in-state or in-district (when applicable) cost of attendance will be used to calculate the weighted cost of attendance for the net price of attendance calculation. ➤ For program reporters, the cost of attendance data for the largest program will be used.
Student Financial Aid (SFA)	<p>Add total grant aid awarded to and accepted by all first-time, full-time undergraduates from federal, state, and institutional sources.</p>	<ul style="list-style-type: none"> ➤ Accepted grant aid includes scholarships, need-based grants, tuition remission/waivers (such as stipends and institution employee tuition benefits), athletic aid, and all gift aid from federal, state, and institution sources. ➤ For public institutions, only include students paying the in-state or in-district tuition rate. ➤ For program reporters, only include aid awarded to students in the largest program. The grant aid reporting period is the length of the largest program. ➤ For academic year reporters, the grant aid reporting period is September 1 through June 30, excluding the summer.
	<p>Add the unduplicated count of first-time, full-time undergraduates receiving grant aid from federal, state, and institutional sources.</p>	<p>For public institutions, only include students paying the in-state or in-district tuition rate.</p>
	<p>Add the count of these first-time, full-time undergraduate grant aid recipients living:</p> <ul style="list-style-type: none"> (a) On-campus (b) Off-campus with family, (c) Off-campus not with family (d) Unknown (calculated) 	<p>This will be used to calculate a weighted cost of attendance.</p>

The TRP also suggests that NCES calculate the percentage of entering students represented by this net price cohort and display this percentage on College Navigator alongside the net price data, which it currently does for the GRS cohort and graduation rates data. In addition, the panel suggests that caveat boxes be provided on the survey forms for institutions to use to provide contextual information about the data. This contextual information would be displayed on the College Navigator website along with the net price calculations.

Provision #2: Net Price of Attendance for Students Receiving Federal Student Financial Aid under Title IV, by Income Level

The HEOA also includes a requirement that the net price of attendance for students receiving federal student financial aid under Title IV be disaggregated by income categories and made available on College Navigator. The five prescribed HEOA income categories are:

- \$0-30,000
- \$30,001-48,000
- \$48,001-75,000
- \$75,001-110,000, and
- \$110,001 and more.

The defined cohort is comprised of first-time, full-time **Title IV-aided students**, as opposed to the cohort of **all first-time, full-time aided students** used to calculate the average net price. Income level should be determined using the Adjusted Gross Income as reported on FAFSA and used to calculate the family or student’s Expected Family Contribution (EFC).

To meet this reporting requirement, the TRP suggests the following additional changes to IPEDS data collection:

Survey Component	Suggestion	Notes for Net Price by Income
Student Financial Aid (SFA)	Add total grant aid awarded to and accepted by all first-time, full-time Title-IV aid undergraduates from federal, state, and institutional sources for each of the following income levels: <ul style="list-style-type: none"> ➤ \$0-30,000 ➤ \$30,001-48,000 ➤ \$48,001-75,000 ➤ 75,001-110,000 ➤ \$110,001 and more. 	<ul style="list-style-type: none"> ➤ Accepted grant aid includes scholarships, need-based grants, tuition remission/waivers (such as stipends and institution employee tuition benefits), athletic aid, and all gift aid from federal, state, and institution sources. ➤ For public institutions, only include Title IV students paying the in-state or in-district tuition rate. ➤ For program reporters, only include aid awarded to Title IV students in the largest program. The grant aid reporting period is the length of the largest program. ➤ For academic year reporters, the grant aid reporting period is September 1 through June 30, excluding the summer.
	Add the unduplicated count of first-time, full-time Title-IV aid undergraduates receiving grant aid from federal, state, and institutional sources for each of the following income levels: <ul style="list-style-type: none"> ➤ \$0-30,000 ➤ \$30,001-48,000 ➤ \$48,001-75,000 ➤ 75,001-110,000 ➤ \$110,001 and more. 	For public institutions, only include Title IV students paying the in-state or in-district tuition rate.

Timing of IPEDS Data Collection for Net Price of Attendance

The chart below summarizes the implementation timeline for net price of attendance reporting requirements.

Deadline for Display on College Navigator	HEOA Requirement	First Submitted in Which IPEDS Collection Year	Reporting on Price Data For Which Years
July 1, 2010 Data displayed on College Navigator for each institution	Three years of average net price	2009-10	2006-07, 2007-08, 2008-09
	One year of net price data for Title IV aid recipients disaggregated by income	2009-10	2008-09
July 1, 2011 “College affordability lists” made available on College Navigator *	List of highest tuition and fees (top 5%) for each sector	2010-11 (Fall 2010 –IC survey)	2010-11
	List of highest percentage increases in tuition and fees (top 5%) for each sector	2010-11 (Fall 2010 –IC survey)	2008-09, 2009-10, 2010-11
	List of lowest tuition and fees (bottom 10%) for each sector	2010-11 (Fall 2010 –IC survey)	2010-11
	List of highest average net prices (top 5%) for each sector	2010-11	2009-10
	List of highest percentage increases in average net price (top 5%) for each sector	2010-11	2007-08, 2008-09, 2009-10
	List of lowest net price (bottom 10%) for each sector	2010-11	2009-10
July 1, 2013 Data displayed on College Navigator for each institution	Three years of net price data for Title IV aid recipients disaggregated by income	Annual data will have been collected beginning in 2009-10 (see above), which will build to the 3 years of data	2009-10, 2010-11, 2011-12

Comments

These suggestions will add data items to IPEDS survey components to effectively satisfy HEOA reporting requirements on net price of attendance. **We encourage interested parties to send any comments about the TRP suggestions on how to implement these requirements to Janice Kelly-Reid, IPEDS Project Director at ipedstrpcomment@rti.org**