



California Community Colleges

Cost of Attendance and the Student Centered Funding Formula

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1

A recent study in Washington State found that:

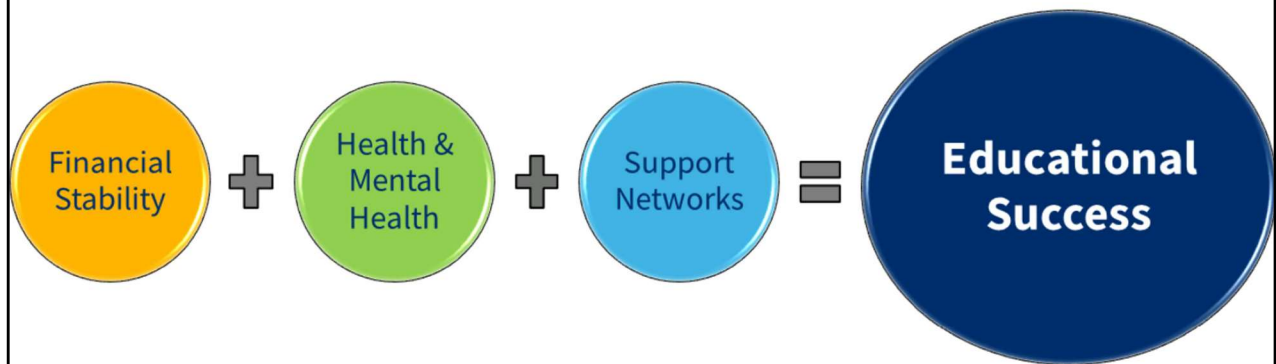
- Students with better financial aid packages complete at higher rates and at a faster pace than students with lesser financial aid packages
- Students with the lowest financial aid package drop out at substantially higher rates

Another study of Tennessee found that increases in need-based financial aid were associated with increased persistence and completion. Other recent studies found that increases in Pell Grant eligibility led to increases in completion.

Agenda

- Understanding COA in the context of Financial Aid and Supporting Students
- COA impact on the SCFF and district revenues
- COA benefits to students

Social Determinants of Educational Success



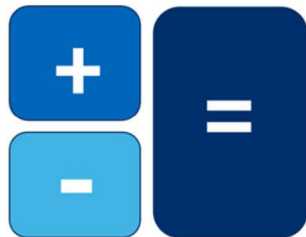
Clarify problems • Maximize resources • Shift structures



3

- Framework to assist institutions with visualizing transformative change.
- Financial aid is major portion of the financial stability social determinant.
- Additional information: [October 2022 BOG Learning Session – Social Determinants of Educational Success](#)

Cost of Attendance (COA)



HOW FINANCIAL AID PACKAGES
ARE CALCULATED:
Cost of Attendance
minus
Expected Family Contribution
= Financial Need



4

The cost of attendance (COA) is the cornerstone of establishing a student's financial need, as it sets a limit on the total aid that a student may receive and is a key factor in determining whether and how much financial aid students qualify for including the Pell grant.

The primary calculation is:

Cost of Attendance (COA) - Estimated Family Contribution (EFC) = Financial Need (FN)

Definitions

COA – an estimate of a student’s educational expenses for the period of enrollment.

EFC - the amount of money the student is expected to contribute towards their own education based on results from the FAFSA/CA Dream Act Application.

Unmet Need - a student's cost of attendance minus his or her expected family contribution (EFC) and all financial aid, such as grants, scholarships, work-study, and loans. This is the amount that students and/or their families must cover out-of-pocket.



A college’s cost of attendance is the estimate of a student’s educational expensed for a certain period of enrollment, generally the academic year. The COA contains many components that are covered below and should reflect standard and reasonable costs.

Components of COA

Components of COA

- Room & Board
- Transportation
- Books and Supplies
- Tuition & Fees
- Non resident Fees
- Personal Expenses
- Loan fees



Resource: [Federal Student Aid Handbook Volume 3, Chapter 2](#)

- COA was established by law ([Higher Education Act, Section 472](#)) and is not subject to regulation by the Department of Education. The law specifies the types of costs that are included in the COA, but each school must determine the appropriate and reasonable amounts to include for each eligible COA category for its students.
- The COA is an estimate of the student's educational expenses and college's are allowed to use average expensed rather than actual expenses. The COA is the sum of the following: the tuition and fees normally assessed for a student carrying the same academic workload. It includes a reasonable allowance for room and board (which includes food) books, supplies, transportation and miscellaneous personal expenses.
- The COA could also include: dependent childcare, disability related, study abroad expenses. These costs could be added to the COA on a case-by-case basis and the process of adjusting the COA is part of the professional judgement of each Financial Aid director. For example, the general COA can't include study abroad expenses or childcare expenses, because not every student has these expenses. These types of adjustments for exceptional expenses requires documentation.
- However the law doesn't specify what documentation that must be collected for expenses such as dependent care or disability-related expenses. These expenses can be documented in any reasonable way, such as documenting an interview with the student or obtaining a written statement from the student or other appropriate sources.
- There are other COA considerations such as the COA for students enrolled less than half-

time, COA or distance education only or incarcerated students, for example. It's a little too specific to include in this presentation but if you want to know more details you can refer to the FSA Handbook and work with your financial aid director.

Regional Differences

Mid-Peninsula

COA Component	At Home	Away from Home
Books & Supplies	\$1,971	\$1,971
Enrollment & Other Fees	\$1,696	\$1,696
Misc. Personal Expenses	\$3,276	\$3,843
Room & Board	\$9,081	\$17,253
Transportation	\$999	\$918
Total COA	\$17,023	\$25,681

Northern Inland

COA Component	At Home	Away from Home
Books & Supplies	\$1,970	\$1,970
Enrollment & Other Fees	\$1,368	\$1,368
Misc. Personal Expenses	\$2,008	\$2,008
Room & Board	\$6,786	\$15,084
Transportation	\$1,134	\$1,134
Total COA	\$13,266	\$21,564



7

- Displayed are the current cost of attendance charts for a mid-peninsula college and a northern inland colleges to demonstrate the regional differences.
- This is the standard COA format with the COA component as well as the average costs the college has determined for dependent students living at home with their parents and for students living away from home.
- Colleges with on-campus housing would have a third column with the on-campus housing costs.
- These calculations show the large difference between living with parents and off campus. But what is also shows is the regional differences that exist. For the categories of books and supplies and tuition and fees, you'll see the costs are relatively the same.
- The biggest difference you'll see is the room and board allowances and that makes sense. We know the cost of housing in the San Francisco bay area is much different from the inland areas of California.

Determining the COA

- Responsibility
 - Financial aid administrators are responsible for developing and maintaining the COA.
- Frequency
 - COA review is an ongoing process. Although comprehensive research may not be necessary on an annual basis, a yearly review of COAs is required.



8

- The responsibility for developing and maintain the COA belongs to the financial aid director/administrator. The FAA should establish, as part of the financial aid office policies and procedures, a calendar for reviewing student budgets and for collecting new data.
- Because expenses are affected by economic variables and other external factors, COA review is an ongoing process. Although comprehensive research may not be necessary on an annual basis, a yearly review of COAs is required.
- Expenses not controlled by the institution (e.g., non-institutionally controlled housing, transportation, books and supplies) are the focus of the periodic reviews, while institutionally determined components (e.g., institutionally controlled housing, meal plans, tuition and fees) are adjusted annually, or as changes occur.

Determining the COA

- Compliance
 - Reasonableness
 - Documentation
 - COA adjustments on a case-by-case basis
 - Post a Net Price Calculator on college website
 - Must report to CSAC



9

- The law allows for consider flexibilities. There are a few compliance considerations including:
 - Reasonableness
 - Documentation
 - COA adjustments on a case-by-case basis
 - Post a Net Price Calculator on the college website
 - Must report to CSAC.
- There aren't any regulations that:
 - Define what resources are can or can't be used
 - Determine amounts of the components
 - Define reasonableness

Determining the COA

- Data Resources
 - Existing budget information
 - State or regional cost of living surveys
 - Bureau of Labor Statistics
 - Professional financial aid associations
 - Student expense surveys



10

- There are various resources that a college can use to determine the amount of each component of the COA.
- Some of those resources include:
 - Existing budget information (last year's budget as a starting point)
 - State or regional cost of living surveys (there are many consumer organizations, media outlets, and non-profit organizations)
 - Government agencies such as the Bureau of Labor Statistics and the USDA
 - Student expense surveys.

Student Expenses and Resources Survey (SEARS)

- The California Student Aid Commission (CSAC) conducts a survey on student costs to create an estimate of student expense budgets for the entire state. This survey is called the Student Expense Resources Survey (SEARS): <https://www.csac.ca.gov/sears>
- SEARS historically was conducted every three years but between 2007 and 2018 the SEARS survey was not conducted. In this period, CSAC updated its estimates of annual student expenses by making inflation adjustments. During this time many components of COA increased by more than inflation especially in certain regions: for example, In Los Angeles median home prices increased by 152% between 2010 and 2021, in the same time period in San Diego prices increased by 140% and in Santa Clara they increased by 160%
- In 2019 CSAC conducted SEARS in a manner that allowed for a regional cost breakdown in 15 microregions in the state



11

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Implications for SCFF and effect on district funding levels

Student Centered Funding Formula

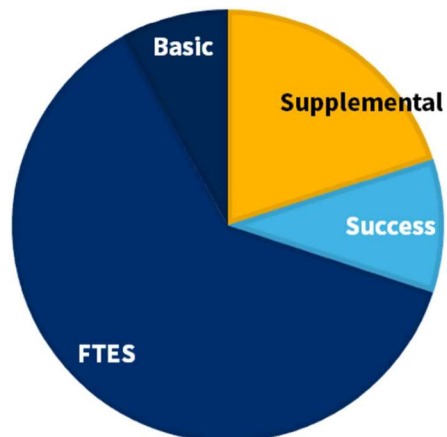
I. Base = Basic + FTES

II. Supplemental

Counts of low-income students

III. Success

Counts of outcomes related to the Vision for Success with equity premiums for outcome of low-income students



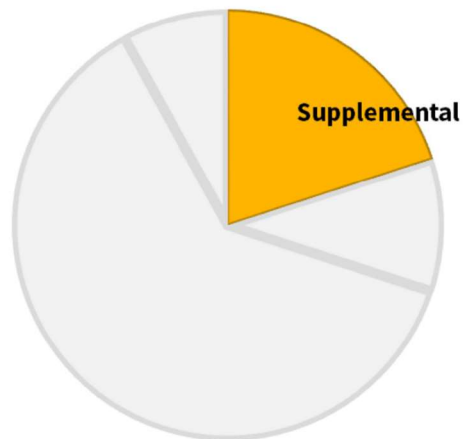
13

- The SCFF allocates funding to colleges, total funding to colleges through SCFF is called Total Computational Revenue (TCR)
- The SCFF uses three allocation streams
 - Base Allocation**—Current factors (primarily credit FTES and the Basic Allocation which provides funding based on the number of colleges and centers in a district).
 - Supplemental Allocation**—Counts of low-income students.
 - Student Success Allocation**—Counts of outcomes related to the *Vision for Success*, with *equity premiums* for outcomes of low-income students.

More information can be found on the SCFF on the CCCO [SCFF website](#), through the [SCFF FAQ](#) and through the [SCFF Dashboard](#).

Supplemental Allocation

- Districts are funded on a per capita basis for 3 target student populations to promote access:
 - AB 540 students
 - Pell Grant recipients
 - Promise Grant recipients
- In 2020-21 each Pell Grant recipient and Promise Grant recipient generated \$948 for the district
- Students that received both a Pell Grant and a Promise Grant are counted in each category (this student would generate \$1,896 in revenue for the district in 2020-21).



14

Because COA effects the number of students who qualify for Promise Grants (CCPG fee waiver) it contributes to the funding amounts through the Supplemental Allocation stream and has an impact on the Student Success Allocation stream.

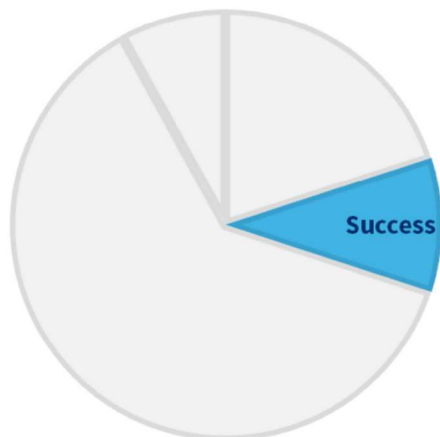
Beginning in 2020-21 the SCFF uses set funding rates per metric which are automatically adjusted by cost of living in each year. Increases in supplemental counts does not decrease the rate per metric.

Success Allocation

Districts are funded on a per capita basis for 8 student achievement metrics.

In 2020-21 funding generated by a low-income student in each of the success metrics ranged between \$141 and \$846 per metric

Outcomes achieved by Pell Grant Recipients and Promise Grant recipients Promise Grant are counted in each category



15

Associate Degrees for Transfer (ADT)

Associate Degrees (AA/AS)

Baccalaureate Degrees (BA/BS)

Credit Certificates

Transfer-level Math and English

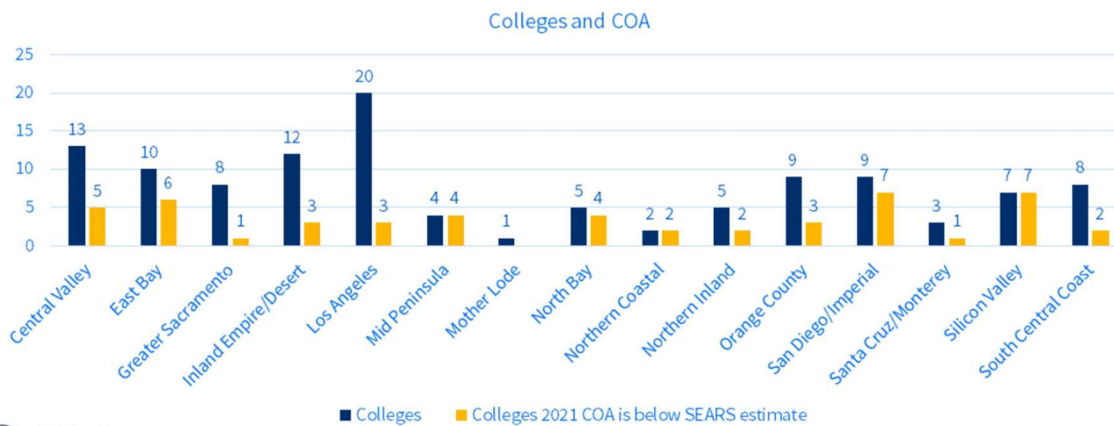
Transfer to a four-year institution

Nine or more CTE units

Attainment of a Regional Living Wage

Added funding for low-income students varies per outcome metric and per low-income student category

A 2022 examination of the Cost of Attendance for all California community colleges shows that many colleges are still using costs below SEARS levels.



16

- Note the SEARS was administered in 2018 which means that the COA data from SEARS are already three years old. In contrast the figure above compares SEARS estimates for 2018 with college reported data for 2021.
- If the SEARS estimates were adjusted for the three years of past inflation the findings would be even starker and find that districts are underreporting student expenses by a greater margin.
- According to the Department of Finance statewide inflation has increased by 4.7% from 2018 to 2021. Source: <https://dof.ca.gov/inflation/>

An accurate COA is a win-win for students and the districts.

- By accurately reflecting regional costs, and regularly updating these amounts, districts help students qualify for more financial aid
- Increased financial aid leads to better outcomes for students
- Increasing the number of students who qualify for financial aid results in the districts earning more revenues through the SCFF (in both the Supplemental and Student Success Allocation streams).



Frequently Asked Questions



Q&A

- **Q: Will the Department "approve" an institution's NPC?**

A: The Department does not have an approval process for institutional and State net price calculators. Institutions are responsible for determining that they are in compliance with the requirements of the statute.

- **Q: How can I tell if my college is using a COA below the regional SEARS estimate?**

A: The Chancellor's Office sent out data on the SEARS and regional cost of attendance in May of 2020 (ES 20-19). Your Financial Aid Director will be able to provide you with information about your college's COA. However, if you need additional information please contact the apportionment team and we will provide you with additional data.



A recent [CCCCO survey](#) found that availability of financial aid was a motivation for enrollment for 38% of respondents.



RESOURCES

Determining COA

[Federal Student Aid Handbook, Volume 3, Chapter 2](#)

[Student Expenses and Resources Survey \(SEARS\)](#)

[Bureau of Labor Statistics \(BLS\)](#)

[US Department of Agriculture \(USDA\)](#)

[National Association of Student Financial Aid Administrators \(NASFAA\) COA Self-Study Guide](#)

[Federal Student Aid COA Training Presentation](#)

Other

[October 2022 Board of Governors Learning Session](#)

[Enrollment Research Survey](#)