

**MURRAY & ASSOCIATES**  
LLC

**THE NATIONAL CENTER FOR COLLEGE COSTS**

*Net Price Calculator Overview*

for the Commission for Higher Education

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**The National Center for College Costs**

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# The Context

Steady and persistent annual increases in college costs at colleges and universities of all types at rates well above general inflation



Increasing pressure from lawmakers and the public for colleges to increase transparency in higher education financing and costs



Net Price Calculator requirement thanks to the Higher Education Opportunity Act of 2008

# NPC Requirement

- Unfunded mandate for all Title IV participating institutions serving first-time, full-time undergraduate students
- Must use simplistic Department of Education Net Price Calculator template (available for free) OR
- Purchase/develop custom version that includes at least minimum data elements in DOE's template
- Must post to institutional websites by **October 29, 2011**

# Eight Required NPC Inputs

- Age
- Marital Status
- Number Of Children
- Number In Family
- Number In College
- Income
- Living Status (on-campus, off campus, parents)
- Residency (in-state, in-district, out-of-state)

# Data Requirements

## **Net Price defined as follows:**

Price of attendance = average annual cost of tuition and fees, room and board, books, supplies, and transportation

**MINUS**

(Total need- and merit-based federal, state, and institutional grant aid awarded to FTFT students

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Number of FTFT students receiving such aid)

# Data Requirements

- All cost data and grant data must be from the same academic year
- Ranges can be used and/or certain forms of aid excluded (e.g., athletic scholarships) as long as disclosures are made in the explanation/caveat section clearly visible to the user
- Institutions will be required to report the URL for their NPCs as part of IPEDS reporting

# Anticipated Impact of NPC Requirement

- Will provide prospective students with some sort of estimate of net price
- Will provide an incomplete picture, particularly for those using DOE template, which is based on averages and does not calculate an Expected Family Contribution (EFC) for the user
- Accuracy and quality of NPCs will vary widely among colleges yielding some questionable estimates and making comparisons difficult

# Anticipated Impact of NPC Requirement

- Will exclude loans, work study, private scholarships and some forms of institutional aid not easily or uniformly quantified, making it difficult for users to understand the impact of these additional resources
- DOE template and other alternate solutions unlikely to provide education to the user on how the process works and how to interpret/utilize this information in the college planning process

# *Indiana College Costs Estimator*

NPC requirement is a first step in trying to provide prospective students with early information to inform planning and decision making

But...

Students and parents need more information and assistance than NPCs will provide



**Creation of the *Indiana College Costs Estimator***

# *Indiana CCE Functionality*

- Estimates of Expected Family Contribution (EFC) and resulting federal, state and institutional aid eligibility at Indiana colleges and universities
- Detailed descriptions of how a user's EFC was calculated; how colleges use these data; and “key tips” to remember regarding these processes, calculations and procedures
- User data storage and retrieval capabilities
- “What-If” functionality so users can modify data inputs and see the resulting changes in EFCs and estimates of financial aid

## Anticipated Functionality (Cont.)

- Information on the actual financial aid application/FAFSA process, current student loan programs, tax-advantaged college savings investment strategies, and more
- Links to appropriate financial aid/FAFSA websites and resources, as well as other pertinent and relevant college preparatory resources (e.g., Learn More, SSACI, etc.)
- Live “Ask the Expert” sessions staffed by National Center for College Costs staff timed to assist students/parents with important activities at certain times of the academic year

## Anticipated Functionality (Cont.)

- Summary information on the seven public college systems and the 31 independent colleges with links to all of the colleges' websites
- Robust messaging capabilities allowing for direct messaging on issues of interest to ICHE, financial aid issues and deadlines, and more
  - Will allow for focused communication with entire user populations as well as subsets of users identified by key characteristics (e.g., Twenty-First Century Scholars)

# NPC Informational Resources for Institutions

National Center for Education Statistics - “Resources”  
section of the IPEDS website:

<http://nces.ed.gov/ipeds/resource>

Association for Institutional Research – Net Price  
Calculator Resource Center

<http://www.airweb.org>

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