



NET PRICE CALCULATOR – NCES CALCULATOR

OPTION #1:	ADVANTAGES:	DRAWBACKS:
<p>NCES Net Price Calculator</p>	<ul style="list-style-type: none"> - Already developed and can be downloaded on institution website for free. - Template will be updated every December. - Requests minimal number of inputs by the user (9 total), decreasing burden and complexity. - Requires price of attendance and financial aid data from the most recent year that <i>both</i> elements are available at your institution (data must be from the same academic year). 	<ul style="list-style-type: none"> - Not a “download and go” application; institutions must populate tables for cost of attendance, median grant/scholarship aid by EFC range. - Institutions will need to update following the Department; no mandate other than “annually” may lead to comparability issues. - Fewer inputs create a greater range of variance from actual aid determinations that consider more factors; will likely estimate a higher net price. - Will create a variance between institutions with different data capabilities. Older data years - lower estimate, larger variance from final aid package awarded. - Calculator estimates based upon prior years’ data and aid award policies, not projecting for future (i.e., student’s likely enrollment year). - Uses need-based criteria to determine merit aid. Can produce an inaccurate grant aid estimate, making institution seem less affordable, discouraging application. - Uses Federal EFC methodology. - Calculator created to serve government transparency not institutional enrollment.



NET PRICE CALCULATOR – INSTITUTION MODIFIED NCES CALCULATOR

OPTION #2:	ADVANTAGES:	DRAWBACKS:
Institution Modified NCES Calculator	<ul style="list-style-type: none"> - Customization allows calculator to serve institution enrollment purposes as well as government transparency purposes. - Can address more aid factors, closely aligning with institution award determinations. - Increased accuracy. Can choose to use institution methodology for calculating EFC (must include federal EFC elements); create separate look-up tables by grant type, scholarships, etc.; estimate a future year’s net price. - Can develop multiple calculators for different student populations and/or cost of attendance structures (e.g. program, major, campus location). - Allows for addition of work study and loans (<i>**must adhere to federal definition of net price and thus <u>cannot</u> be elements included in the net price calculator; list separately on web page.</i>) - Set own annual update schedule. - Can ask for additional personal information of user for purposes of future outreach, recruiting, etc. 	<ul style="list-style-type: none"> - Must have technological capability – Net 2.0 and C# programming language – and human capacity. - More questions require greater financial knowledge of user; may deter application. - Requires a higher degree of institution capacity to develop and maintain; may create greater variance in estimates versus peer institutions using different methodologies; differences may not be clear to user. - Could be confusing to users and send the wrong message; requires greater technological and human capacity. - Controversial and has levied charges of trying to mislead to create an “illusion of affordability”. - Update may be out of synch with peers’. - Institution must clearly indicate that submitting this information is optional; <i><u>cannot require</u></i> additional information, only data needed to calculate an estimated net price; users may resent any marketing/recruitment follow-up.



NET PRICE CALCULATOR – CONTRACTOR CALCULATOR

OPTION #3:	ADVANTAGES:	DRAWBACKS:
Vendor/Contractor Calculator	<ul style="list-style-type: none"> - Customization allows calculator to serve institution enrollment purposes as well as government transparency purposes. - Can address more aid factors, closely aligning with institution award determinations. - Increased accuracy. Can choose to use institution methodology for calculating EFC (must include federal EFC elements); create separate tables by grant type, scholarships, etc.; estimate a future year’s net price. - Can develop multiple calculators for different student populations and/or cost of attendance structures (e.g. program, major, campus location). - Allows for addition of work study and loans (<i>**must adhere to federal definition of net price and thus <u>cannot</u> be elements included in the net price calculator; list separately on web page</i>). - Relieves much of the burden associated with developing, managing, maintaining, and annually updating calculator template. - Vendor may house the calculator on their website via a link from your website; may offer additional data analysis services based upon user inputs. - Can ask for additional personal information of user for purposes of future outreach, recruiting, etc. 	<ul style="list-style-type: none"> - Must have continual budget capacity for on-going vendor services and maintenance; vendor may have own purposes. - More questions require greater financial knowledge of user; may deter application. - May create greater variance in estimates versus peer institutions using different methodologies; differences may not be clear to user. - Could be confusing to users and send the wrong message. - Controversial and has levied charges of trying to mislead to create an “illusion of affordability”. - Institution burden varies by vendor/template complexity; licensing/maintenance expenses; who determines update schedule; synched with peers? - User awareness of being on a third party website? Who owns the data? What level of access do you have? Legal liabilities? Data security? Privacy? - <u>Cannot require</u> additional information, only data needed to calculate an estimated net price; Users may resent any marketing/recruitment follow-up.



MANDATORY DISCLAIMER

Institutions must include a disclaimer that the net price estimate generated for them is neither final nor binding, and that the student must complete a FAFSA to be eligible for Title IV aid. A link to the FAFSA website must also be included.

An example:

The estimates generated by the Net Price Calculator do not represent a final determination, or actual award, of financial assistance or a final net price; they are only estimates based upon the cost of attendance and financial aid provided to students in [specify academic year]. The estimates shall not be binding on the Secretary of Education, [name of institution], or [name of State]. Students must complete the Free Application for Federal Student Aid (FAFSA) in order to determine their eligibility for Federal financial aid which includes Federal grant, loan, and/or work-study assistance. For more information on applying for Federal student aid, go to: <http://www.fafsa.ed.gov>

Other optional disclaimers/caveats institutions may post but are not required to:

- This calculator is only intended to provide an estimate for incoming undergraduate freshmen enrolling in college for the first time and that plan to attend full time.
- Families who have high incomes or significant assets will not receive as accurate an estimate of financial aid eligibility.
- This calculator provides only a rough approximation of financial aid (and even then, only if accurate data is entered into the calculator).
- The aid factored into this calculator is limited to grant and scholarship aid only.
- Not all students will qualify for all of the aid that the calculator indicates may be available.
- Not all students are eligible for financial aid.
- Students may additionally be eligible for loans and work study that are not part of this net price estimate (please note: loans must be paid back with interest; work study represents earnings from student employment).
- This calculator is not designed to replace the Free Application for Federal Student Aid (FAFSA) or a complete financial aid award package provided by a college financial aid office. Please contact [name, contact information] for more personal assistance.

TEN THINGS TO CONSIDER:

- Institutional capacity – human capital, technology, knowledge of financial aid, need analysis, regulations. *Deadline for posting a net price calculator on your website is October 29, 2011.*
- Degree of Accuracy of Estimate - Run a current sample of students through the NCES's Net Price Calculator and compare to the actual aid package this sample of students received – how big a disparity is there? Will the disparity discourage application/enrollment? Will the differential be significant enough to create anger versus the actual aid package awarded? What is an acceptable degree of variance?
- What is the appropriate balance between accuracy of the estimate and complexity (for the user) of the calculator? *Reminder: customized calculators must include all of the elements of the NCES's calculator – you can add to their template elements, but not delete any of them!*
- What data categories in the template are producing the largest variance/affect the net price the most? Likely suspects: EFC methodology (federal or institution), state aid programs, institution aid programs, need-based vs. merit-based grants, scholarship aid.
- Do you want to include work study and loan estimates? How should you present this information - will you be perceived as trying to mislead students by lowering the “bottom line” estimate provided, providing an “illusion of affordability”? What are the public relations implications? *Reminder: these elements cannot be included in your net price calculator template as data input; list as separate line items.*
- If contracting out, who owns the data? Is that important to you? Do you let the user know they are leaving your site (if applicable)? Do you communicate to them who owns or has access to the information they are submitting and what will be done with it? Some vendors want to own the data for use in lead generation and marketing. What are the legal liabilities and/or public relations implications for your institution?
- Can you ensure the security of the data being input (or can your vendor)?
- If asking for information not directly involved in the calculation of net price, how do you make it clear that submitting this information is optional. Why do you need it? How will it be used?
- How will the net price calculator method you choose reflect on your institution versus peer institutions?
- What does your calculator tell the public about your institution's values and aid decision-making process?