

### **Regulation for Calculating Cost of Attendance**

- I. Purpose. The following regulation (“this regulation”) is designed to provide system-wide consistency and clarity regarding the methodology used to define the standard Cost of Attendance, as defined in 20 US Code 1087// (HEA). While institutional expenses may vary across institutions due to regional economics and other factors, the Cost of Attendance budget should provide students with a projection of “reasonable and realistic” expenses for attendance. This regulation is meant to supplement but not supersede federal guidance.
  
- II. Definitions. The following operational definitions apply to this regulation:
  - A. Cost of Attendance. The Cost of Attendance is an estimate designed to help students determine what it may cost to attend a college or university for an academic year and, per the federal Higher Education Act, includes tuition, fees, living expenses, books, course materials, supplies, equipment, transportation, and miscellaneous personal expenses.
  
  - B. Standard Methodology. The standard methodology refers to a common set of categories of allowable expenses and allowable calculation methods for those expenses that shall be used to calculate Cost of Attendance at constituent institutions in the University of North Carolina System.
  
- III. Types of Budgets. Where applicable, institutions shall calculate budgets for:
  - A. Three types of students: undergraduate, graduate, and professional;
  
  - B. Using two residency status categories: in-state and out-of-state; and,
  
  - C. Using four housing categories: on-campus, off-campus, living with parents, and living with dependents.
  
- IV. Allowable Costs.
  - A. Institutions are required to include the following allowable costs in all budgets, as directed by U.S. Department of Education Federal Student Aid Handbook:
    - i. Tuition and fees
    - ii. Living expenses (housing and food)
    - iii. Books, course materials, supplies, and equipment
    - iv. Transportation
    - v. Miscellaneous personal expenses
    - vi. Federal student loan fees

vii. Professional licensure, certification, or a first professional credential

B. Institutions may include the following costs in budgets, as necessary:

1. Health insurance. An allowance to cover health insurance premiums may be included in the Cost of Attendance if health insurance is required by the institution.
2. All other allowable costs, including but not limited to, study abroad expenses, cooperative education costs, dependent care, and disability related expenses are to be included at the discretion of the institution.

V. Cost of Attendance Data Sources. The Cost of Attendance shall be calculated using two main sources: administrative data and a Cost of Attendance Student Survey.

A. Administrative Data. For select expense categories (such as tuition and fees, on-campus housing and dining rates, health insurance, and other components for which administrative data is available), institutional administrative data shall be used to inform the Cost of Attendance.

B. UNC System Cost of Attendance Student Survey. Beginning in academic year 2025-26, the UNC System Office will use a Systemwide survey of students to collect data on components of the Cost of Attendance where administrative data is not available. The first student survey will be conducted in Spring 2024 to inform budgets for the 2025-2026 academic year and will be fielded every two years thereafter to update budgets.

i. System Office staff will draft the survey in partnership with a subcommittee of financial aid directors. The survey will be reviewed and updated as necessary by the subcommittee prior to each implementation.

ii. The UNC System Office will share a draft of the survey with the Chief Academic Officers, Vice Chancellors for Enrollment Management, Institutional Research Officers, and Financial Aid Directors for feedback prior to each survey cycle.

iii. Sample Sizes. In consultation with institutional research staff at the campus, System Office staff will identify target sample sizes for each student budget (on-campus and off-campus; graduate and undergraduate) to ensure reliable estimates. To obtain an accurate sample, all students (not just financial aid recipients) shall be included among respondents to the survey.

iv. Survey Administration. The System Office shall administer the survey to sampled students in the spring semester to inform cost of attendance calculations for the academic year beginning after the subsequent academic year (i.e., a survey administered in Spring 2024 would inform cost of attendance for academic year 2025-

- 26). The System shall work to ensure a high response rate and representative samples at each institution.
- v. Once the survey is closed, the UNC System Office will analyze the responses and share with each institution the raw survey data from their students.
  - vi. In years in which the survey is not conducted, external sources of data, such as the Consumer Price Index for the Southeast region (minus food and fuel), can be used to calculate an appropriate percentage increase from the prior year calculation.

VI. Standard Methodology. Institutions may use a combination of the following allowable calculation methods to inform the Cost of Attendance calculation.

A. Tuition and Fees. Institutions shall include tuition and fees normally assessed for a student carrying a given academic workload in the Cost of Attendance calculation.

B. Housing. Institutions shall calculate a housing allowance that is a reasonable reflection of moderate and adequate standard of living including utility costs (power, water, internet).

1. On-campus housing allowance for students with and without dependents

a. Institutions shall review the on-campus housing options and associated charges, calculate a weighted average and the median, and use the larger of the two calculations as the on-campus housing allowance.

b. The calculation for students living on-campus with dependents shall only include the on-campus housing options that allow dependents. If on-campus housing with dependents is not available, institutions shall use off-campus housing rates.

2. Off-campus housing allowance

a. For students living off-campus, institutions may calculate the higher of the average or the median cost estimate derived from the results from respondents to the UNC System Cost of Attendance Survey that report living off-campus.

C. Food. Institutions shall calculate a standard food allowance that provides the equivalent of three meals each day, seven days per week regardless of whether a student chooses institutionally owned or operated food services.

1. For on-campus budgets, institutions shall review the on-campus dining options and select the option that provides a minimum of three meals per day for seven days a week. If a dining option does not exist for three meals a day for seven days a week, institutions shall calculate a per-meal rate to reach the required figure.

2. For all students, an additional allowance for snacks and meals not prepared at home shall be included.

3. For students living off-campus, institutions may use the higher of the average or the median cost estimate derived from the results for respondents to the UNC System Cost of Attendance Survey that report living off-campus. If the survey returns an allowance for off-campus students that is less than the amount derived for on-campus students, institutions may default to the on-campus rate.

D. Books, Course Materials, Supplies, and Equipment. Institutions shall calculate an allowance that provides for books, course materials, and equipment, and must include all such costs required of all students in the same course of study, including a reasonable allowance for the rental or upfront purchase of a personal computer and necessary software for new students, as determined by the institution.

1. Institutions may use actual charges for a personal computer if documented or a reasonable allowance for the minimum specifications can be used. Purchased devices are intended for use throughout the enrollment period therefore returning students may not need this allowance.

2. Institutions may use the UNC System Cost of Attendance Survey or the cost of book rental programs to calculate the books, course materials, supplies, and equipment allowance.

- a. For institutions that only offer a rental or digital book option that is charged to the student account, institutions shall use actual book expense as charged to the student account, and include a supplement for printing, notebooks, blue books, pens, paper, interactive clickers, art supplies, and subscription services.

E. Transportation. Institutions shall calculate an allowance that includes transportation between campus, residence, and place of work including costs associated with operating and maintaining a vehicle used for such transportation. An allowance may be used for a parking pass if the student resides off-campus. The transportation allowance may include costs associated with travel to complete a particular course of study, including internships, conferences, and student teaching.

1. Institutions may use the higher of the average or the median derived from responses to the UNC System Cost of Attendance Survey.

F. Miscellaneous Personal Expenses. Institutions shall calculate an allowance for miscellaneous personal expenses that includes clothing; personal items (e.g., toiletries, laundry and cleaning, personal hygiene and grooming); mobile phone plan;

recreation/entertainment; and uninsured health care costs (copays, prescriptions, OTC medicines, contact lenses, eyeglasses).

1. Institutions may use the higher of the average or the median derived from responses to the UNC System Cost of Attendance Survey.

G. Federal student loan fees. For students receiving direct loans or loans under any other federal student loan program, institutions shall include fees required to receive the loans. Fees for non-federal student loans may not be included.

1. Institutions may use either the actual loan fees charged to the student, or an average of fees charged to borrowers of the same type of loan at your school.

H. Professional licensure, certification, or a first professional credential. For students enrolled in programs that require professional licensure, certification, or a first professional credential, institutions must include an allowance for the costs of obtaining the license, certification, or credential.

1. Allowable costs include fees charged to take a licensing exam, and costs of applying for and obtaining the license or certification.
2. The costs must be incurred during (not after) a period of enrollment, even if the exam is after the end of the period. The allowance may include costs for a reasonable number of license or credential test attempts.

VII. If the Student Cost of Attendance Survey is not conducted for at least three years or if a sufficient sample size is not reached, the System Office will provide guidance on other sources the institution should use to calculate Cost of Attendance (e.g., HUD, USDA, etc.), in consultation with the subcommittee of financial aid directors.

VIII. Transition Period.

A. The UNC System Cost of Attendance Student Survey will be first implemented in Spring 2024 to inform Cost of Attendance for the 2025-2026 academic year. Therefore, for the 2024-2025 academic year, institutions must use the definitions as set forth in this regulation. For items that will rely on survey data in future years, institutions may use their own methodology, but costs shall be benchmarked against national and regional data sources and the results of that analysis reported to the System Office.

B. For the 2025-2026 academic year, institutions have flexibility to vary from the UNC System Cost of Attendance Survey by five percent for each cost category but must provide justification to the System Office for the variation. Justification may include how much the costs vary from the previous year's cost of attendance.

C. In the years thereafter, institutions have flexibility to vary from the UNC System Cost of Attendance Survey results by two percent for each cost category. Constituent institutions may petition the System Office for an exception to the two percent threshold.

IX. Professional Judgment. Institutions have the authority to use professional judgment to adjust the Cost of Attendance for individual students on a case-by-case basis to allow for special or unusual circumstances. Such adjustments must be documented in the student's file.

X. Reporting Requirements. Institutions shall develop an annual summary of the Cost of Attendance calculation process for each student budget that explains how the calculation was completed. The summary, with appropriate approvals, shall be submitted to the System Office in January of each year.

XI. Other Matters

A. Effective Date. The requirements of this regulation shall be effective upon the date of adoption of this regulation by the president.

B. Regulation Review. After completion of the first Cost of Attendance survey and every three years thereafter, a Cost of Attendance Working Group comprised of a subset of financial aid directors will come together to review and discuss any needed updates to the regulation. Recommendations for altering this regulation shall be made accordingly to the president, on the basis of appropriate evidence.