

tive, and fair means to determine a family's available income and assets;

“(4) whether the methodology used to calculate the expected family contribution, specifically the consideration of income earned by a dependent student and its effect on Pell grant eligibility, is an effective and fair means to determine a family's available income and a student's need;

“(5) whether the nature and timing of the application required in section 483 (a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1090(a)(1)), eligibility and award determination, financial aid processing, and funds delivery can be streamlined further for students and families, institutions, and States;

“(6) whether it is feasible to allow students to complete only those limited sections of the financial aid application that apply to their specific circumstances and the State in which they reside;

“(7) whether a widely disseminated printed form, or the use of an Internet or other electronic means, can be developed to notify individuals of an estimation of their approximate eligibility for grant, work-study, and loan assistance upon completion and verification of the simplified application form;

“(8) whether information provided on other Federal forms (such as the form applying for supplemental security income under title XVI of the Social Security Act [42 U.S.C. 1381 et seq.], the form for applying for food stamps under the Food Stamp Act of 1977 [now the Food and Nutrition Act of 2008, 7 U.S.C. 2011 et seq.], and the schedule for applying for the earned income tax credit under section 32 of the Internal Revenue Code of 1986 [26 U.S.C. 32]) that are designed to determine eligibility for various Federal need-based assistance programs could be used to qualify potential students for the simplified needs test; and

“(9) whether any proposed changes to data elements collected, in addition to those used to calculate expected family contribution, or any proposed changes to the form's design or the process of applying for aid, may have adverse effects on program costs, integrity, delivery, or distribution of awards, as well as, application development or application processing.

“(c) ADDITIONAL CONSIDERATIONS.—In conducting the feasibility study, the Advisory Committee's primary objective under this subsection shall be simplifying the financial aid application forms and process and obtaining a substantial reduction in the number of required data items. In carrying out that objective, the Advisory Committee shall pay special attention to the needs of low-income and moderate-income students and families.

“(d) CONSULTATION.—

“(1) IN GENERAL.—The Advisory Committee shall consult with a broad range of interested parties in higher education, including parents and students, high school guidance counselors, financial aid and other campus administrators, appropriate State administrators, administrators of intervention and outreach programs, and appropriate officials from the Department of Education.

“(2) FORMS DESIGN EXPERT.—With the goal of making significant changes to the form to make the questions more easily understandable, the Advisory Committee shall consult a forms design expert to ensure that its recommendations for revision of the application form would assist in making the form easily readable and understood by parents, students, and other members of the public.

“(3) CONGRESSIONAL CONSULTATION.—The Advisory Committee shall consult on a regular basis with the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate in carrying out the feasibility study required by this subsection.

“(4) DEPARTMENTAL CONSULTATION.—The Secretary of Education shall provide such assistance to the Advisory Committee as is requested and practicable in conducting the study required by this subsection.

“(e) REPORTS.—

“(1) INTERIM REPORT.—The Advisory Committee shall, not later than 6 months after the date of enactment of this Act [Jan. 23, 2004], prepare and submit an interim report containing any such legislative changes as the Advisory Committee recommends to reform and simplify the needs analysis under part F of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087kk et seq.) and forms and other requirements under such title to the Committee on Education and the Workforce of the House of Representatives, the Committee on Health, Education, Labor, and Pensions of the Senate, and the Secretary of Education.

“(2) FINAL REPORT.—The Advisory Committee shall, not later than 1 year after the date of enactment of this Act, prepare and submit a full final report on the study, including recommendations for regulatory and administrative changes required by this section, to the Committee on Education and the Workforce of the House of Representatives, the Committee on Health, Education, Labor, and Pensions of the Senate, and the Secretary of Education.

“(f) IMPLEMENTATION.—The Secretary of Education shall consult with the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate and shall subsequently initiate a redesign of the form required by section 483 of the Higher Education Act of 1965 (20 U.S.C. 1090). Such redesign shall include the testing of alternative simplified versions of the free Federal form. The Secretary shall keep the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate fully and currently informed on the progress of these efforts.

“(g) POSTPONEMENT OF TAX TABLE UPDATE PENDING REPORT AND IMPLEMENTATION.—The Secretary of Education shall not implement or enforce for the award year 2004–2005 the annual update to the allowances for State and other taxes in the tables used in the Federal needs analysis methodology, as prescribed by the Secretary on May 30, 2003 (68 Fed. Reg. 32473).”

§ 1087II. Cost of attendance

(a) In general

For the purpose of this subchapter, the term “cost of attendance” means—

(1) tuition and fees normally assessed a student carrying the same academic workload as determined by the institution;

(2) an allowance for books, course materials, supplies, and equipment, which shall include all such costs required of all such students in the same course of study, including a reasonable allowance for the documented rental or upfront purchase of a personal computer, as determined by the institution;

(3) an allowance for transportation, which may include transportation between campus, residences, and place of work, as determined by the institution;

(4) an allowance for miscellaneous personal expenses, for a student attending the institution on at least a half-time basis, as determined by the institution;

(5) an allowance for living expenses, including food and housing costs, to be incurred by the student attending the institution on at least a half-time basis, as determined by the institution, which shall include—

(A) for a student electing institutionally owned or operated food services, such as board or meal plans, a standard allowance

for such services that provides the equivalent of three meals each day;

(B) for a student not electing institutionally owned or operated food services, such as board or meal plans, a standard allowance for purchasing food off campus that provides the equivalent of three meals each day;

(C) for a student without dependents residing in institutionally owned or operated housing, a standard allowance determined by the institution based on the average or median amount assessed to such residents for housing charges, whichever is greater;

(D) for a student with dependents residing in institutionally owned or operated housing, a standard allowance determined by the institution based on the average or median amount assessed to such residents for housing charges, whichever is greater;

(E) for a student living off campus, and not in institutionally owned or operated housing, a standard allowance for rent or other housing costs;

(F) for a dependent student residing at home with parents, a standard allowance that shall not be zero determined by the institution;

(G) for a student living in housing located on a military base or for which a basic allowance is provided under section 403(b) of title 37, a standard allowance for food based upon such student's choice of purchasing food on-campus or off-campus (determined respectively in accordance with subparagraph (A) or (B)), but not for housing costs; and

(H) for all other students, an allowance based on the expenses reasonably incurred by such students for housing and food;

(6) for a student engaged in a program of study by correspondence, only tuition and fees and, if required, books and supplies, travel, and housing and food costs incurred specifically in fulfilling a required period of residential training;

(7) for a confined or incarcerated student, only tuition, fees, books, course materials, supplies, equipment, and the cost of obtaining a license, certification, or a first professional credential in accordance with paragraph (14);

(8) for a student enrolled in an academic program in a program of study abroad approved for credit by the student's home institution, reasonable costs associated with such study (as determined by the institution at which such student is enrolled);

(9) for a student with one or more dependents, an allowance based on the estimated actual expenses incurred for such dependent care, based on the number and age of such dependents, except that—

(A) such allowance shall not exceed the reasonable cost in the community in which such student resides for the kind of care provided; and

(B) the period for which dependent care is required includes, but is not limited to, class-time, study-time, field work, internships, and commuting time;

(10) for a student with a disability, an allowance (as determined by the institution) for

those expenses related to the student's disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided for by other assisting agencies;

(11) for a student receiving all or part of the student's instruction by means of telecommunications technology, no distinction shall be made with respect to the mode of instruction in determining costs;

(12) for a student engaged in a work experience under a cooperative education program, an allowance for reasonable costs associated with such employment (as determined by the institution);

(13) for a student who receives a Federal student loan made under this subchapter or any other Federal law, to cover a student's cost of attendance at the institution, an allowance for the actual cost of any loan fee, origination fee, or insurance premium charged to such student or the parent of such student on such loan, or the average cost of any such fee or premium, as applicable; and

(14) for a student in a program requiring professional licensure, certification, or a first professional credential, the cost of obtaining the license, certification, or a first professional credential.

(b) Special rule for living expenses for less-than-half-time students

For students attending an institution of higher education less than half-time, an institution of higher education may include an allowance for living expenses, including food and housing costs in accordance with subsection (a)(4) for up to three semesters, or the equivalent, with no more than two semesters being consecutive.

(c) Disclosure of cost of attendance elements

Each institution shall make publicly available on the institution's website a list of all the elements of cost of attendance described in paragraphs (1) through (14) of subsection (a), and shall disclose such elements on any portion of the website describing tuition and fees of the institution.

(Pub. L. 89-329, title IV, § 472, as added Pub. L. 99-498, title IV, § 406(a), Oct. 17, 1986, 100 Stat. 1454; amended Pub. L. 102-325, title IV, § 471(a), July 23, 1992, 106 Stat. 585; Pub. L. 103-208, § 2(g)(1), Dec. 20, 1993, 107 Stat. 2471; Pub. L. 105-244, title IV, § 471, Oct. 7, 1998, 112 Stat. 1729; Pub. L. 109-171, title VIII, § 8016, Feb. 8, 2006, 120 Stat. 172; Pub. L. 110-315, title IV, § 471(a), Aug. 14, 2008, 122 Stat. 3269; Pub. L. 116-260, div. FF, title VII, § 702(b), Dec. 27, 2020, 134 Stat. 3138; Pub. L. 117-103, div. R, § 103(a), Mar. 15, 2022, 136 Stat. 820.)

Editorial Notes

AMENDMENTS

2022—Subsec. (a)(13). Pub. L. 117-103 inserted “, or the average cost of any such fee or premium, as applicable” after “on such loan”.

2020—Pub. L. 116-260 amended section generally. Prior to amendment, section consisted of pars. (1) to (13) which defined “cost of attendance”.

2008—Par. (3)(C), (D). Pub. L. 110-315 added subpar. (C) and redesignated former subpar. (C) as (D).

2006—Par. (4). Pub. L. 109–171, § 8016(1), added par. (4) and struck out former par. (4), which read as follows: “for less than half-time students (as determined by the institution) tuition and fees and an allowance for only books, supplies, and transportation (as determined by the institution) and dependent care expenses (in accordance with paragraph (8));”.

Par. (13). Pub. L. 109–171, § 8016(2)–(4), added par. (13).

1998—Par. (2). Pub. L. 105–244, § 471(1), inserted “, including a reasonable allowance for the documented rental or purchase of a personal computer,” after “personal expenses”.

Par. (3)(A). Pub. L. 105–244, § 471(2)(A), substituted “determined by the institution” for “of not less than \$1,500”.

Par. (3)(C). Pub. L. 105–244, § 471(2)(B), struck out “, except that the amount may not be less than \$2,500” after “room and board”.

Par. (10). Pub. L. 105–244, § 471(3), substituted a semicolon for “, but this paragraph shall not be construed to permit including the cost of rental or purchase of equipment;”.

Par. (11). Pub. L. 105–244, § 471(4), substituted “engaged” for “placed”.

1993—Par. (12). Pub. L. 103–208 added par. (12).

1992—Pub. L. 102–325 amended section generally, revising and restating as pars. (1) to (11) provisions formerly contained in pars. (1) to (9).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Amendment by Pub. L. 117–103 effective as if included in title VII of div. FF of Pub. L. 116–260 and subject to the effective date of section 701(b) of title VII (July 1, 2024), see section 103(d) of div. R of Pub. L. 117–103, set out as a note under section 1070a of this title.

EFFECTIVE DATE OF 2020 AMENDMENT

Amendment by Pub. L. 116–260 effective July 1, 2024, except as otherwise expressly provided, and applicable with respect to award year 2024–2025 and each subsequent award year, as determined under this chapter, see section 701(b) of Pub. L. 116–260, set out as a note under section 1001 of this title. Implementation of amendment by Pub. L. 116–260 allowed on or after July 1, 2023, see section 102(c)(1)(A)(i) of Pub. L. 117–103, set out as an On-Time Effective Date Permitted note under section 1070a of this title.

EFFECTIVE DATE OF 2008 AMENDMENT

Pub. L. 110–315, title IV, § 471(b), Aug. 14, 2008, 122 Stat. 3269, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on July 1, 2010.”

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109–171 effective July 1, 2006, except as otherwise provided, see section 8001(c) of Pub. L. 109–171, set out as a note under section 1002 of this title.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105–244 effective Oct. 7, 1998, see section 480A of Pub. L. 105–244, set out as a note under section 1087kk of this title.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103–208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102–325, except as otherwise provided, see section 5(a) of Pub. L. 103–208, set out as a note under section 1051 of this title.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102–325 applicable with respect to determinations of need under this part for award years beginning on or after July 1, 1993, see sec-

tion 471(b) of Pub. L. 102–325, set out as a note under section 1087kk of this title.

§ 1087mm. Special rules for student aid index

(a) In general

For the purpose of this chapter, the term “student aid index” means, with respect to a student, an index that reflects an evaluation of a student’s approximate financial resources to contribute toward the student’s postsecondary education for the academic year, as determined in accordance with this part.

(b) Special rule for students eligible for the total maximum Pell Grant

The Secretary shall consider an applicant to automatically have a student aid index equal to zero if the applicant is eligible for the total maximum Federal Pell Grant under section 1070a(b)(1)(A) of this title, except that, if the applicant has a calculated student aid index of less than zero the Secretary shall consider the negative number as the student aid index for the applicant.

(c) Special rule for nonfilers

Notwithstanding subsection (b), for an applicant (or, as applicable, an applicant and spouse, or an applicant’s parents) who is not required to file a Federal tax return for the second preceding tax year, the Secretary shall for the purposes of this subchapter consider the student aid index as equal to – \$1,500 for the applicant.

(Pub. L. 89–329, title IV, § 473, as added Pub. L. 99–498, title IV, § 406(a), Oct. 17, 1986, 100 Stat. 1455; amended Pub. L. 102–325, title IV, § 471(a), July 23, 1992, 106 Stat. 586; Pub. L. 105–244, title IV, § 480(b), Oct. 7, 1998, 112 Stat. 1732; Pub. L. 111–39, title IV, § 406(a)(1), July 1, 2009, 123 Stat. 1948; Pub. L. 115–141, div. H, title III, § 317, Mar. 23, 2018, 132 Stat. 753; Pub. L. 116–260, div. FF, title VII, § 702(b), Dec. 27, 2020, 134 Stat. 3138.)

Editorial Notes

AMENDMENTS

2020—Pub. L. 116–260 amended section generally. Prior to amendment, section provided definition of family contribution with respect to any student for the purpose of this subchapter, other than subpart 2 of part A, and provided special rule related to family contribution.

2018—Subsec. (b)(2). Pub. L. 115–141, § 317(1)(A), inserted “(in the case of a student who meets the requirement of subparagraph (B)(i)), or academic year 2018–2019 (in the case of a student who meets the requirement of subparagraph (B)(ii)),” after “academic year 2009–2010” in introductory provisions.

Subsec. (b)(2)(B). Pub. L. 115–141, § 317(1)(B), amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “whose parent or guardian was a member of the Armed Forces of the United States and died as a result of performing military service in Iraq or Afghanistan after September 11, 2001; and”.

Subsec. (b)(3). Pub. L. 115–141, § 317(2), designated existing provisions as subpar. (A), inserted heading, substituted “subparagraphs (A), (B)(i), and (C) of paragraph (2)” for “paragraph (2)”, and added subpar. (B).

Subsec. (b)(4), (5). Pub. L. 115–141, § 317(3), added pars. (4) and (5).

2009—Pub. L. 111–39 designated existing provisions as subsec. (a), inserted heading, substituted “For the purpose of this subchapter, other than subpart 2 of part A, and except as provided in subsection (b),” for “For the