



HANDOUT 5

Memorandum 3

TO : Representative Greg Leding

FROM: Bureau of Legislative Research

DATE : 7-14-16

SUBJECT : Further Comparisons of Financial Aid for Selected Universities

PROJECT #: 16-063

Introduction

As you requested today, I used the Net Price Calculator at the following universities to calculate the Estimated Net Price and the Estimated Out-of-Pocket Cost. The former is the estimated price after considering all grants and scholarships, while the latter is the estimated costs the student and/or family are expected to pay after loans also are considered.

Before presenting these cost estimates, I thought it might be useful to present information about student populations and acceptance rates of these universities: University of Arkansas at Fayetteville (UAF), Arizona State University (ASU), Georgia Institute of Technology (GIT), University of Virginia (UV), and University of Louisville (UL). All of these universities are rated by the Carnegie Classification of Institutions of Higher Learning as public 4-year institutions with doctoral research (<http://carnegieclassifications.iu.edu/index.php>).

The following table indicates that there are considerable differences in student populations and admissions rates.

	UAF	ASU	GIT	NCSU	UV	UL
Population	26,754	39,968	25,034	33,989	21,238	22,599
Acceptance Rate	62%	84.3%	25%	43.7%	29%	74%

Note: Enrollment estimates are based on 2015 data from websites of the respective universities. Acceptance rates are from 2016 U. S. News & World Report. <http://www.usnews.com/rankings>

Total Cost of Universities

The table with total costs shows a range from \$18,662 at the University of Louisville to \$28,000 at the University of Virginia. These costs are for in-state undergraduates.

Total Cost
Same for All Income Levels

UAF	ASU	GIT	NCSU	UV	UL
\$23,506	\$27,744	\$25,568	\$22,999	\$28,856	\$18,662

Estimated Net Price

The Net Price Calculators at the different universities required similar information for calculating estimated costs for the three household income levels examined. The three annual household income levels used are the same as those examined in the previous memo (# 2): 1) \$60,000, 2) \$40,000, and 3) \$25,000. The highest income level was originally used in the comparison of Harvard University to UAF, and \$25,000 is rounded up from the current poverty level for a family of four of \$24,250. The \$40,000 level is simply an arbitrary figure between the other amounts. An example of information provided for calculating prices is shown in Appendix A (The exact same information was provided for calculations discussed in the previous memo (#2)).

The Estimated Net Price is the cost after considering grants and scholarships awarded. The estimated costs is not a guarantee, but it is an approximate figure based on the information provided by the applicant (all universities seem to state that it is an accurate estimate).

It is readily apparent that the University of Virginia (UA) had the lowest net price at each household income level, whereas the University of Arkansas at Fayetteville had the highest cost. In all cases, the main campus was examined (e.g., Charlottesville for the University of Virginia).

Estimated Net Price with Grants & Scholarships					
\$60,000 Household Income Level					
UAF	ASU	GIT	NCSU	UV	UL
\$18,581	\$14,179	\$14,821	\$12,279	\$5,003	\$13,637
\$40,000 Household Income Level					
\$16,081	\$12,279	\$12,715	\$10,760	\$5,609	\$11,737
\$25,000 Household Income Level					
\$12,781	\$10,929	\$7,554	\$7,114	\$4,000	\$10,587

Estimated Out-of-Pocket Cost

The estimated Out-of-Pocket Cost is the anticipated cost to the student and/or the family.

Estimated Out-of-Pocket Cost After Loans					
\$60,000 Household Income Level					
UAF	ASU	GIT	NCSU	UV	UL
\$13,081	\$8,679	----	\$6,778	\$5,003	\$0
\$40,000 Household Income Level					
\$10,581	\$6,779	----	\$5,260	\$1,609	\$0
\$25,000 Household Income Level					
\$7,281	\$5,429	----	\$1,614	\$0	\$0

The Net Price Calculator at the Georgia Institute of Technology does not provide an estimated out-of-pocket cost. The most salient observation in the table above is that there is no cost to the

student at the University of Louisville for all three income levels examined. There also is no cost to the student from a family with a household income of \$25,000 or less at the University of Virginia. The costs at the other income levels are less at the University of Virginia than at other universities. The highest costs to the student at every income level are at the University of Arkansas at Fayetteville.

In addition to in-state tuition, another major consideration for many students is the academic ranking of universities by U. S. News and World Report's Best Colleges. According to the latest 2016 ranking, the universities are ranked: University of Arkansas at Fayetteville (129th), Arizona State University at Tempe (129th), Georgia Institute of Technology at Atlanta (36th), North Carolina State University (89th), University of Virginia at Charlottesville (26th), and University of Louisville at Louisville (168th) (see link: <http://colleges.usnews.rankingsandreviews.com/best-colleges>). To avoid confusion, it should be noted that there is a tie in ranking between UAF and ASU.

Appendix A: Student Information Provided in Net Price Calculations

Information Requested	Information Provided
Date of birth	1998
High school graduate	yes
Resident of state	yes
Marital status	single
Dependents	0
Residence desired	On-campus
Ever an orphan	No
Parents' marital status	Married
Siblings	1
Family members that will be in college simultaneously	2
Household income	*See note below table
Additional sources of income (several types requested)	0 on all other types
Tax adjustments	0
Tax credit for education	0
Tax deductions	2
Parents' cash available (e.g., bank accounts, investment cash)	**See note below table
Value of home (currently and when purchased)	***See note below table
Age of home	20 years
Student earnings in the past year	\$2,500
Other student income in the past year (taxable and untaxable)	0
Taxes paid by student	\$250

Note: This table shows almost all requests for information and responses given for net price calculations at the various universities. *Separate calculations were conducted for 3 household income levels: 1) \$60,000, 2) \$40,000, and 3) \$25,000. **Two different responses were provided for parents' cash available: 1) \$12,000 for household incomes of \$60,000 and \$40,000, and 2) \$0 for \$25,000. Also, two different values were provided for value of the home: \$150,000 for household incomes of \$60,000 and \$40,000, and \$75,000 for \$25,000.

