Prices May Vary

Exploring the Current State of Financial Aid Offer Policy & Practice



Dr. Wendy Robinson, MN Office of Higher Education
Brendan Williams, uAspire
Anika Van Eaton, uAspire

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Agenda



- Introductions
- Why does this matter?
- Policy landscape
- Minnesota law & implementation
- Q & A

Speakers



Dr. Wendy Robinson
Assistant Commissioner for Programs, Policy, and Grants



Brendan Williams
VP, Knowledge



Anika Van Eaton
VP, Policy

uAspire helps students of color, first-generation college students, and students from low-income backgrounds access capital with which they can build a better future.



Minnesota Context

- Robust higher education landscape
  - University of Minnesota system
  - Minnesota State system
  - Private non-profit sector
- The “yes, but..” of Minnesota higher education
  - High school graduation rates are improving... but HS counselor to student rates are not
  - Strong existing state financial aid programs...but they lack in transparency
  - Over 70-75% of public high school students enroll in postsecondary education after graduation...but we’re a net exporter of high school grads
  - Near the top for college attainment rates...until you disaggregate

OFFICE OF HIGHER EDUCATION

Why does this matter?



Parent Voices

"I was surprised that most of our offers didn't include any information about how to actually pay our bill or about payments plan options. We just got a big number on the bottom and didn't know what to do next."

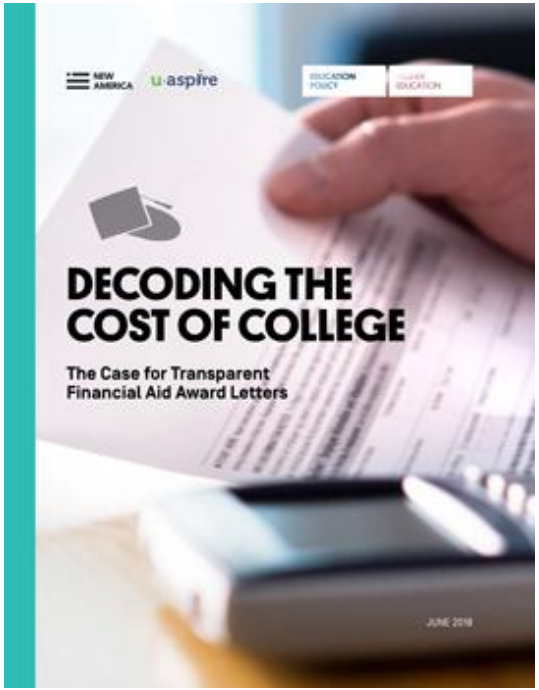
"I didn't go to college. I thought work-study was like a scholarship and so we were confused when we got the bill because I was thinking we didn't owe that much."

"A few of the letters were good but sometimes it was really hard to tell what we actually owed."

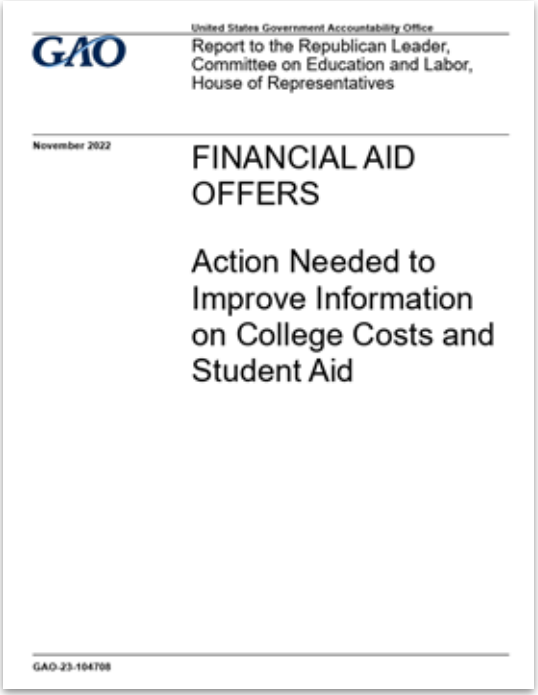
Financial Aid Offer Research

Previous research has shown the inconsistencies and confusion of financial aid offers.

The GAO found in 2022 that 91% of colleges understate or don't include the net price in their offers.



2018



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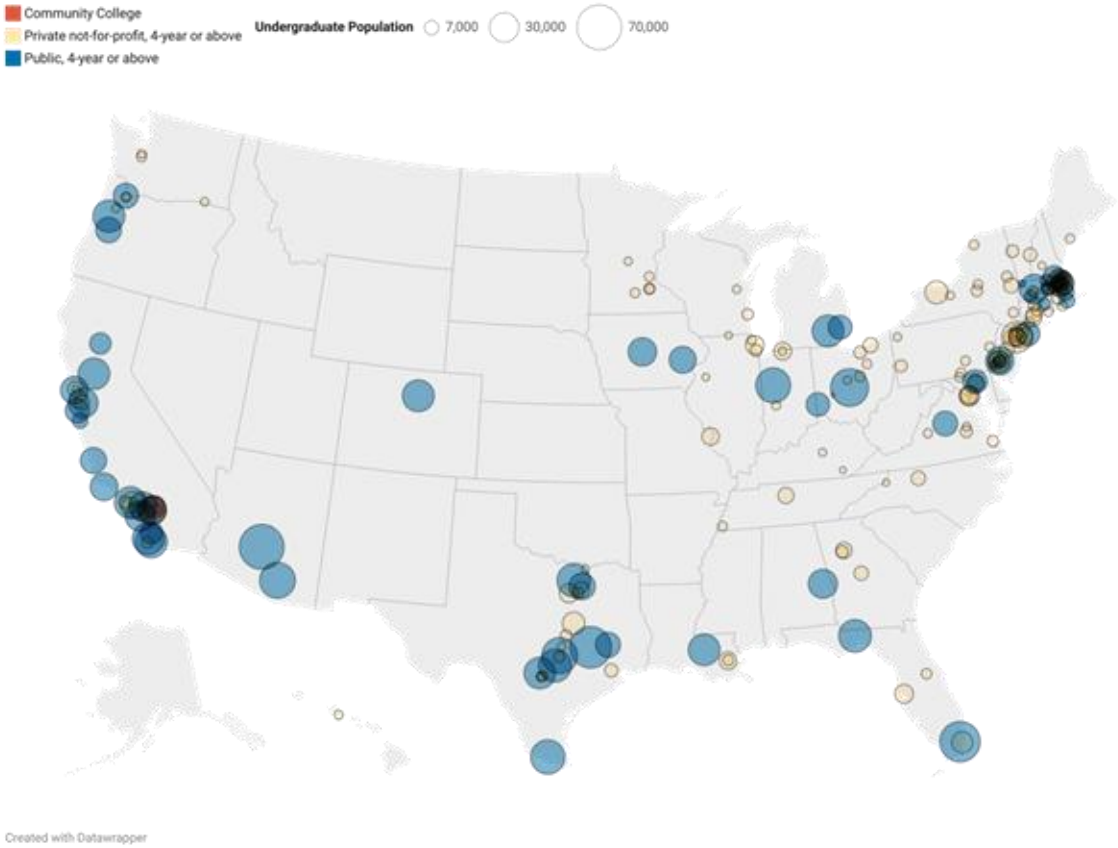
2025 uAspire Analysis

uAspire analyzed **207** financial aid offers from the **2025-2026** school year.

We assessed how the financial aid offers meet the best practices shared in the GAO report.



2025 Analysis

Overview of Colleges Included in Data

College Overview		Numbers
Total States		34
Total Unique Colleges		207
	Public Colleges	60
	Private Colleges	147
Participating in College Cost Transparency Initiative		91
Number of Undergraduates		2,225,644
Percentage of Undergraduates		11.52%
	Number of Freshman	435,707
	Percentage of Freshman	13.49%

Created with Datawrapper

Key Findings

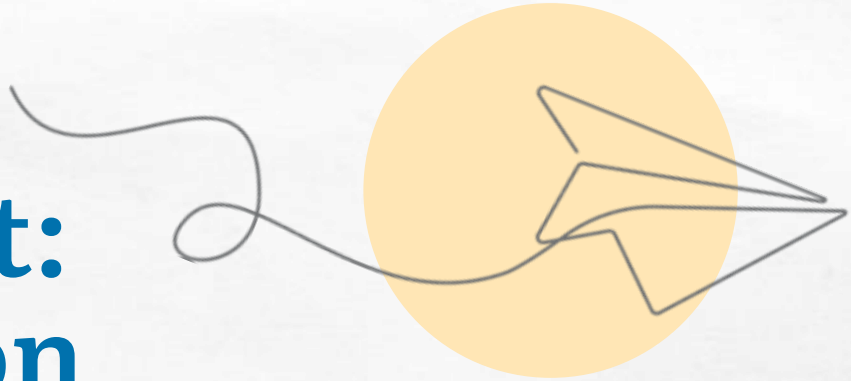


Good news: Some parts of financial aid offers have improved. More schools are:

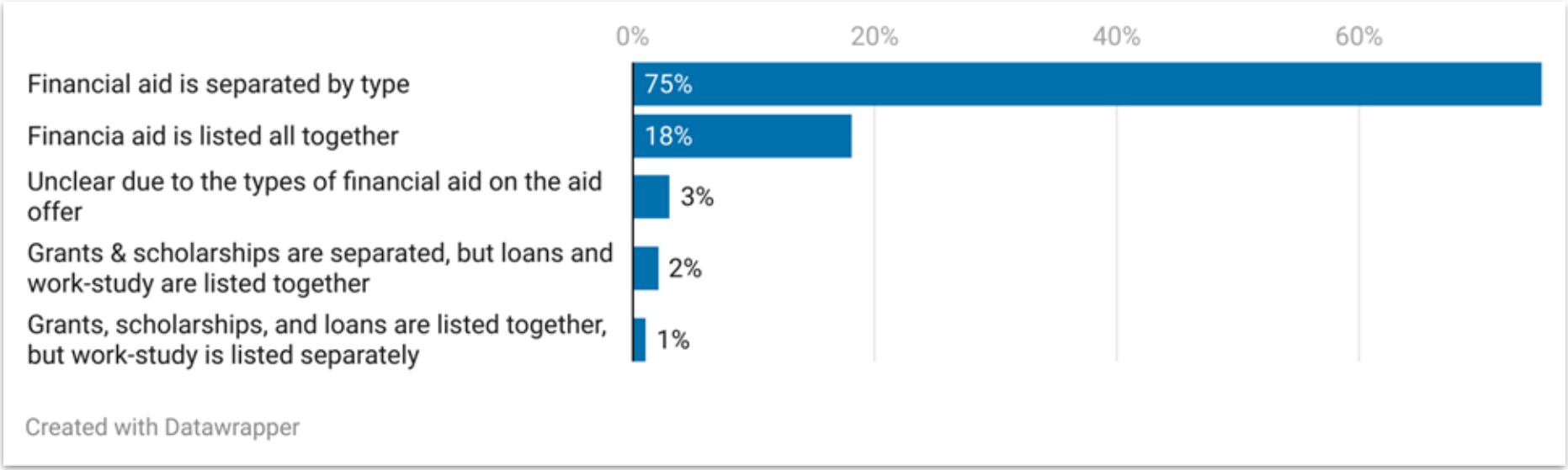
- Separating loan, grant, and work-study aid
- Including and separating both direct costs (tuition, fees, and on-campus food and housing) and indirect expenses (course materials, transportation, personal expenses)
- Including explanations

Bad news: There is still a wide range of cost calculations.

Improvement: Aid Separation



More schools are separating types of financial aid



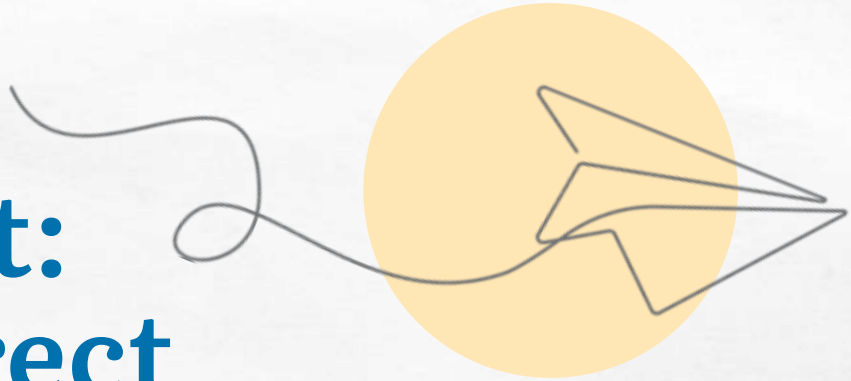
Example of grouping all aid together

Your Financial Aid			
	Fall 2025	Spring 2026	2025-26
Federal Pell Grant - Fall	$3,697.50	$0.00	$3,697.50
Federal Pell Grant - Spring	$0.00	$3,697.50	$3,697.50
[redacted] Grant	$5,000.00	$5,000.00	$10,000.00
Federal Work-Study	$2,500.00	$2,500.00	$5,000.00
Direct Subsidized Loan 1	$1,750.00	$1,750.00	$3,500.00
Direct Unsubsidized Loan 1	$1,000.00	$1,000.00	$2,000.00
Totals:	$13,947.50	$13,947.50	$27,895.00

Example of best practice of separating grants & loans

	Fall 2025	Spring 2026	Total Awards
Grants and Scholarships			
University Grant (Inc)	1,250.00	1,250.00	2,500.00
Federal Pell Grant	3,698.00	3,697.00	7,395.00
FAFSA Incentive Award (Inc)	1,000.00	1,000.00	2,000.00
President's Scholar (Inc)	16,500.00	16,500.00	33,000.00
Total Grants/Scholarships:	22,448.00	22,447.00	**44,895.00**
Loans			
Fed Direct Subsidized Loan	1,750.00	1,750.00	3,500.00
Fed Direct Unsubsidized Loan	1,000.00	1,000.00	2,000.00
Total Loans:	2,750.00	2,750.00	**5,500.00**
Total Financial Aid	25,198.00	25,197.00	**50,395.00**

Improvement: Including Direct Costs & Indirect Expenses



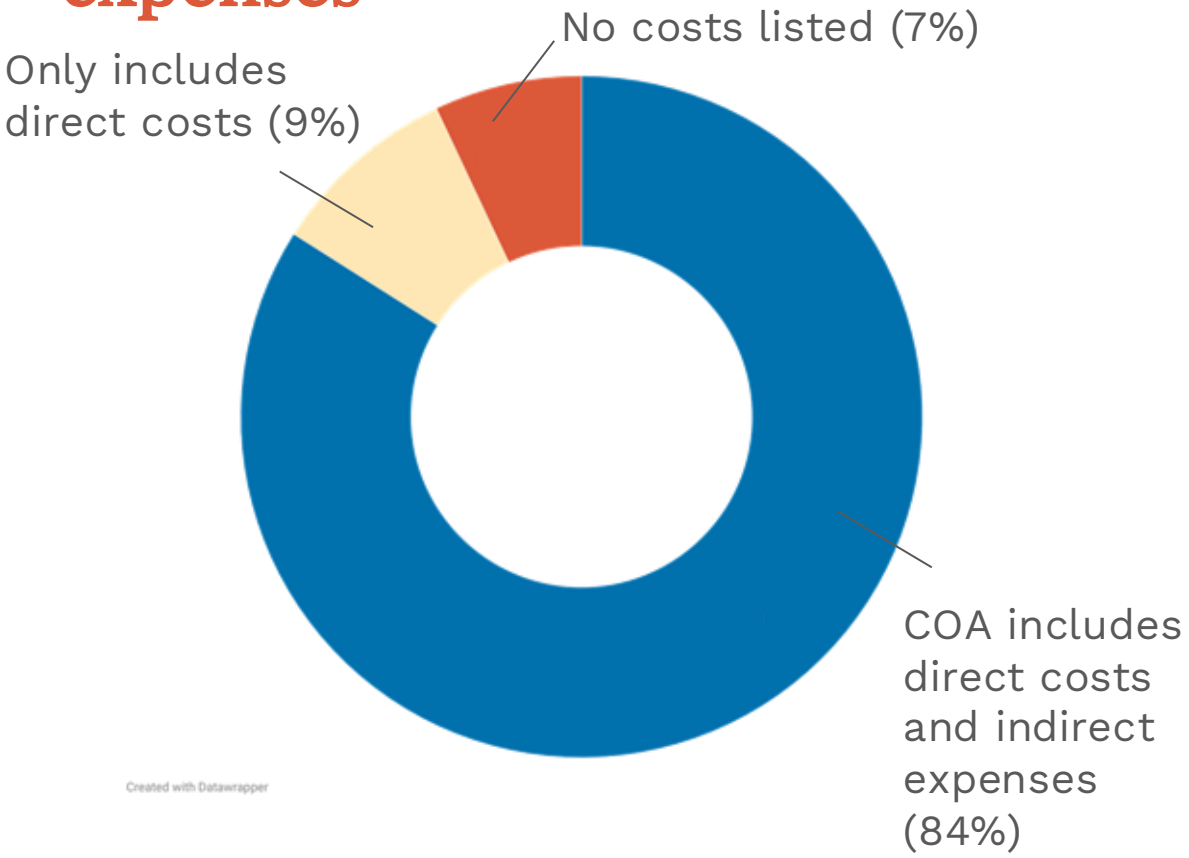
Definitions

Cost of attendance - Total estimated price for one year of college before financial aid is applied for the cost of tuition and fees, housing, food, and other additional personal and educational expenses.

Direct costs - Charges that come directly from the college, including tuition, fees, housing, and meal plan.

Indirect expenses - Estimated additional personal and educational expenses needed throughout the academic year that aren't listed on the college bill: books; transportation; living expenses, such as rent and food, if living off campus.

More colleges including direct costs & indirect expenses



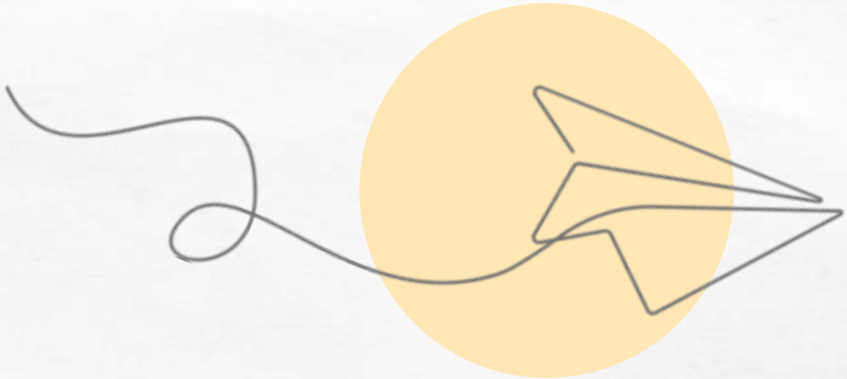
2018 Decoding the Cost of College

- 17% only included direct costs
- 36% provided no costs
- 47% COA included direct costs and indirect expenses

Example of showing solely direct costs

Estimated Direct Costs (Billed) On-Campus		
Description	**Semester Budget**	**Annual Budget**
Tuition	$23,526	$47,052
Fees	$1,697	$3,393
Housing	$4,292	$8,584
Meals	$3,153	$6,306
Total Billed Cost	$32,668	$65,335

Continued Challenge: Inconsistent Cost Definitions



Inconsistent terminology

Colleges use terms for the college cost calculations inconsistently, for example:

- Net Cost
- Remaining Cost After Scholarships and Grants (Net Price)
- Net Direct Cost
- Estimated Annual Net Price
- Estimated Out of Pocket Costs for the 25-26 Academic Year
- Remaining balance after gift aid

Net Price - An estimate of the actual cost that a student and his or her family need to pay in a given year to cover education expenses for the student to attend a particular school. Net price is determined by taking the institution's cost of attendance and subtracting any grants and scholarships for which the student may be eligible.

The Mystery of Net Cost

The following calculations were called Net Cost or Net Price across different aid offers

Cost of Attendance (minus) **Grants & Scholarships**

Direct Costs (minus) **Grants & Scholarships**

Cost of Attendance (minus) **Grants & Scholarships** (minus) **Work-study**

Direct Costs (minus) **Grants & Scholarships** (minus) **Student Loans**

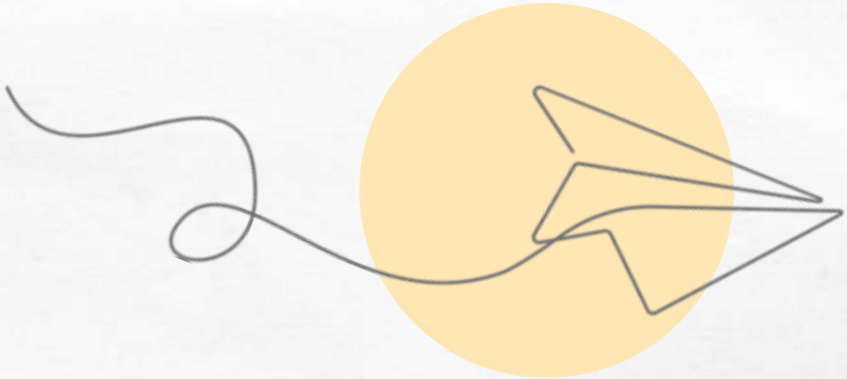
Cost of Attendance (minus) **Grants & Scholarships** (minus) **Student Loans** (minus) **Work-study**



Example of showing direct and indirect costs

2025-2026 ESTIMATED ANNUAL COST OF ATTENDANCE (COA)			
ESTIMATED BILLED COSTS		**ESTIMATED NON-BILLED COSTS**	
Tuition	$68,970.00	Personal Expenses	$1,200.00
Housing and Food	$16,670.00	Transportation	$1,500.00
		Books and Supplies	$1,000.00
Total Estimated Billed Costs	$85,640.00	Total Estimated Non-Billed Costs	$3,700.00
Total Estimated Cost of Attendance			**$89,340.00**

Continued Challenge: Cost Calculations



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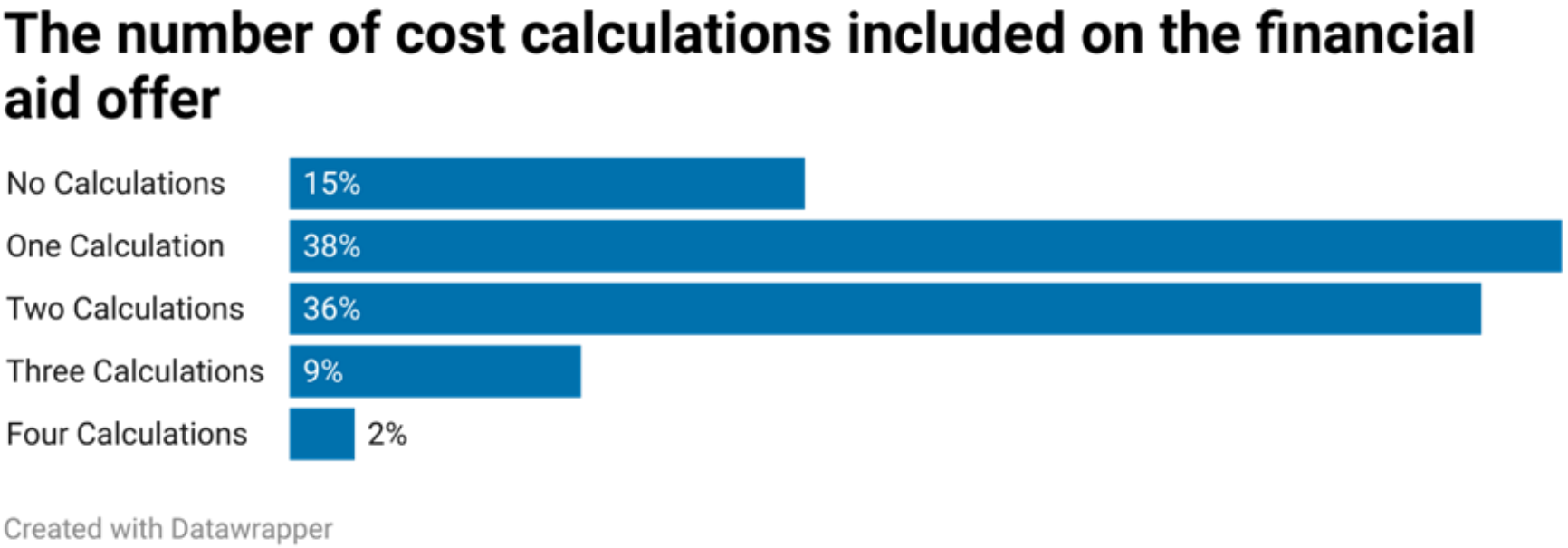
I think the main thing for my students is making sure that they really understood what was on the aid offer, because every school does it in a really different way.

- uAspire College Affordability Advisor

Most college include either 0 or 2+ cost calculations



Example of offer without a cost calculation

*Estimated Billed Expenses**	
Tuition:	$67,414.00
Fees:	$450.00
Federal Direct Loan Fee (estimated):	$58.00
Housing (standard):	$9,430.00
Food:	$8,080.00

*Indirect Expenses***	
Books & Supplies (estimated):	$750.00
Transportation (estimated):	$500.00
Other Expenses (estimated):	$400.00

* These are estimated direct expenses until the Board of Trustees set the actual amounts for the 2025-2026 academic year.
** It is important to also plan for indirect expenses, that will not appear on your bill, estimated at $1,250 to $2,000 per year.

TOTAL	$87,082.00

Scholarships/Grants	
Federal Pell Grant (estimated)	$7,395.00
Presidential Diversity Scholarship	$35,000.00
[redacted] Grant	$22,917.00

Student Loans	
Federal Direct Subsidized Loan	$3,500.00
Federal Direct Unsubsidized Loan	$2,000.00

Additional Resources	
Campus Employment (Federal)	$1,650.00
Total Financial Aid	$72,462.00
Family Contribution	$14,620.00

TOTAL	$87,082.00

Example of offer with one cost calculation

OUT OF POCKET CALCULATION

$89,316	-	**$81,129**	-	**$5,500**	=	**$2,687**
Direct Costs Includes tuition, fees, housing and food		Scholarships and Grants This can include merit and need-based grants		More Ways To Pay You can use loans (if included in your offer) to help pay your way at		Out of Pocket Costs

Example of offer with two cost calculations

Your Estimated Annual Cost of Attendance (COA) 2025-2026 Award Year

Cost Payable to [redacted] College (Direct Costs)		Other Estimated Costs (Indirect Costs)	
Tuition, Activity Fee, and Wellness Fee	$62,586	Transportation	$334
Housing and Food (Meal Plan)	$12,108	Miscellaneous Expenses	$2,192
		Books, Supplies, and Required Equipment	$1,188
Totals Costs	**$74,694**	**Total Costs**	**$3,714**

Total Estimated Cost of Attendance **$78,408**

This is the total cost associated with your attendance at [redacted] College. As a student, you may utilize our student health insurance plan. The estimated cost of this plan is $2,400 and is not included in the costs outlined above.

Your Scholarships and Grants

	Fall 2025	Spring 2026	Total
Institution Grant(s)			
Eaton Scholarship	$20,000	$20,000	$40,000
[redacted] College Grant	$3,205	$3,204	$6,409
FAFSA Filing Grant	$1,000	$1,000	$2,000
Federal Grant(s)			
Federal Supp Edu Opp Grant	$325	$325	$650
Federal Pell Grant	$3,698	$3,697	$7,395
	---	---	---
Total Grant(s)	$28,228	$28,226	$56,454

Guidance for maintaining eligibility at [redacted].edu/offices/financial-aid/maintaining-aid/

Your estimated amount due to [redacted] College for one school year: **$18,240**

Your estimated net cost of attendance (including indirect costs): **$21,954**

11 Different Cost calculations

Our study found 11 different cost calculations. Here they are ranked from most common to least common:

Cost of Attendance (minus) **Grants & Scholarships**

Direct Costs (minus) **Grants & Scholarships**

Direct Costs (minus) **Grants & Scholarships** (minus) **Student Loans**

Cost of Attendance (minus) **Grants & Scholarships** (minus) **Student Loans**

Cost of Attendance (minus) **Grants & Scholarships** (minus) **Student Loans** (minus) **Work-study**

Direct Costs (minus) **Grants & Scholarships** (minus) **Student Loans** (minus) **Work-study**

Cost of Attendance (minus) **Grants & Scholarships** (minus) **Work-study**

Tuition & Fees (minus) **Grants & Scholarships**

Cost of Attendance (minus) **Grants & Scholarships** (minus) **Student Loans** (minus) **PLUS Loan**

Cost of Attendance (minus) **Grants & Scholarships** (minus) **Student Loans** (minus) **Work-study** (minus) **PLUS Loan**

Direct Costs (minus) **Grants & Scholarships** (minus) **Student Loans** (minus) **Work-study** (minus) **PLUS Loan**

Example Cost of Attendance & Financial Aid

College Costs

Tuition: $69,500
Fees: $832
Housing: $12,054
Meal Plan: $7,000
Direct Costs: $89,386

Books & Supplies: $1,880
Transportation: $1,550
Personal Expenses: $1,718

Cost of Attendance: 94,534

Financial Aid

Grants & Scholarships: $75,000

Student Loans: $5,500

Work-study: $3,000

Parent PLUS: $10,000

11 Different Cost Calculations

$94,534 (minus) **$75,000** = **$19,534**

$94,534 (minus) **$75,000** (minus) **$5,500** = **$14,034**

$94,534 (minus) **$75,000** (minus) **$5,500** (minus) **$3,000** = **$11,034**

$94,534 (minus) **$75,000** (minus) **$3,000** = **$16,534**

$94,534 (minus) **$75,000** (minus) **$5,500** (minus)) **$10,000** = **$4,034**

$94,534 (minus) **$75,000** (minus) **$5,500** (minus) **$3,000** (minus) **$10,000** = **$1,034**

$89,386 (minus) **$75,000** (minus) **$5,500** (minus) **$3,000** = **$5,886**

$89,386 (minus) **$75,000** = **$14,386**

$89,386 (minus) **$75,000** (minus) **$5,500** = **$8,886**

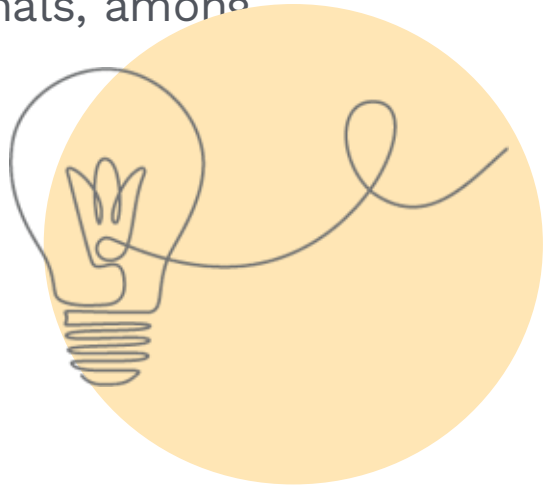
$89,386 (minus) **$75,000** (minus) **$5,500** (minus) **$3,000** (minus) **$10,000** = **-$4,114**

$70,332 (minus) **$75,000** = **-$4,668**

Recommendations

There should be a standardized student-friendly financial aid offer.

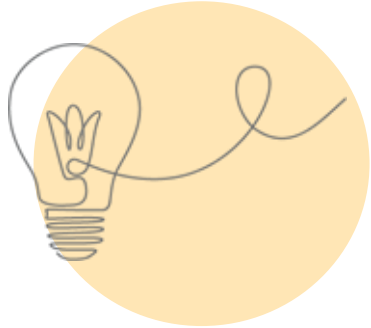
This should be developed through consumer testing with students and families, the financial aid community, student service members and veterans, and college access professionals, among others.



Recommendations

The standardized financial aid offer should:

- Provide full cost with itemized direct and indirect costs
- Provide a clear consistent cost calculation
- Separate and highlight key details about grants/scholarships, loans, and work-study
- Exclude the parent PLUS loan as part of the financial aid package
- Label types of aid
- Label sources of aid
- Include actionable next steps
- Allow institutions the flexibility to provide their own information about financial aid.
- Not refer to the offer as an “award”
- Create multiple templates based on student circumstances.



Policy Landscape



Federal Legislation

Three bills have been introduced this Congress:

- The bicameral and bipartisan ***Understanding the True Cost of College Act (S. 1558 / H.R. 3135)*** would require the Department of Education to complete a develop a standardized financial aid offer that is transparent and clear.
- The Republican-led ***Improving Financial Aid Offers for Students Act (S. 4435)*** creates a model offer that institutions can opt into and requires institutions to share specific information in a set order. Most of these required elements can be satisfied through hyperlinks.
- The bipartisan ***College Financial Aid Clarity Act (H.R. 6502)*** creates formatting and disclosure requirements for financial aid offers without requiring one standard form.

State-level Financial Aid Offer Laws



New Jersey

College Cost Transparency and Financial Aid Offer Law

Requires public, independent, and proprietary institutions licensed to offer academic degrees to ensure that financial aid award letters provided by institutions are consistent with a state-created financial aid shopping sheet



Ohio

Financial cost and aid disclosure forms

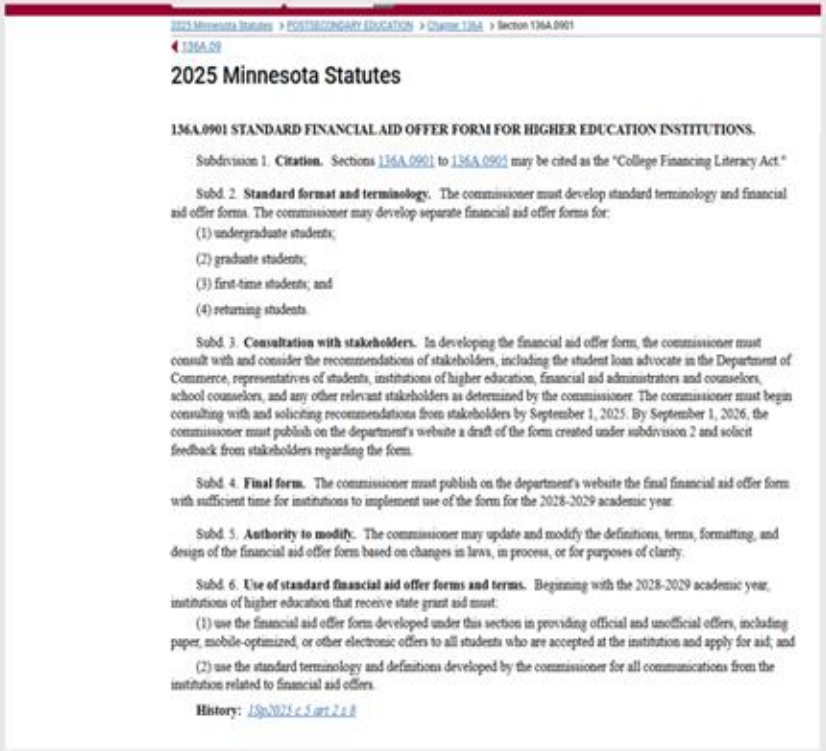
Effective for the 2026-27 academic year, Ohio Law requires State Universities and Community Colleges to include a Financial Cost and Aid Disclosure form to all newly admitted, full-time degree-seeking students.

Minnesota Law & Implementation



College Financing Literacy Act (CFLA)

- Proposed by DFL senator and passed in 2025 legislative session
  - https://www.revisor.mn.gov/statutes/cite/136A.0901
- Any institution that participates in Minnesota's state financial aid programs will be required to adopt the standardized form and standard terminology and definitions
- Separate forms may be created for:
  - Undergraduate students
  - Graduate students
  - First-time students
  - Returning students



2025 Minnesota Statutes > POSTSECONDARY EDUCATION > Chapter 136A > Section 136A.0901

136A.09

2025 Minnesota Statutes

136A.0901 STANDARD FINANCIAL AID OFFER FORM FOR HIGHER EDUCATION INSTITUTIONS.

Subdivision 1. **Citation.** Sections 136A.0901 to 136A.0905 may be cited as the "College Financing Literacy Act."

Subd. 2. **Standard format and terminology.** The commissioner must develop standard terminology and financial aid offer forms. The commissioner may develop separate financial aid offer forms for:

(1) undergraduate students;

(2) graduate students;

(3) first-time students; and

(4) returning students.

Subd. 3. **Consultation with stakeholders.** In developing the financial aid offer form, the commissioner must consult with and consider the recommendations of stakeholders, including the student loan advocate in the Department of Commerce, representatives of students, institutions of higher education, financial aid administrators and counselors, school counselors, and any other relevant stakeholders as determined by the commissioner. The commissioner must begin consulting with and soliciting recommendations from stakeholders by September 1, 2025. By September 1, 2026, the commissioner must publish on the department's website a draft of the form created under subdivision 2 and solicit feedback from stakeholders regarding the form.

Subd. 4. **Final form.** The commissioner must publish on the department's website the final financial aid offer form with sufficient time for institutions to implement use of the form for the 2028-2029 academic year.

Subd. 5. **Authority to modify.** The commissioner may update and modify the definitions, terms, formatting, and design of the financial aid offer form based on changes in laws, in process, or for purposes of clarity.

Subd. 6. **Use of standard financial aid offer forms and terms.** Beginning with the 2028-2029 academic year, institutions of higher education that receive state grant aid must:

(1) use the financial aid offer form developed under this section in providing official and unofficial offers, including paper, mobile-optimized, or other electronic offers to all students who are accepted at the institution and apply for aid; and

(2) use the standard terminology and definitions developed by the commissioner for all communications from the institution related to financial aid offers.

History: *1Sp2025 c 5 art 2 s 8*

College Financing Literacy Act

- Commissioner of the Office of Higher Education responsible for ensuring the development of the standardized financial aid offer forms
- Institutions may still use their own logos, branding, and other identifiers in designated spaces
- Institutions required to use standard terminology and definitions for all communications from the institutions related to financial aid offers
- Institutions must use the standardized form for:
  - Official and unofficial aid offers
  - Mobile-optimized offers and other electronic offers to all students who are accepted at the institution and apply for aid

Initial Reactions

- Students and parents
- Financial aid staff and administrators
  - Implementation anxiety
  - Concerns about required content elements
  - “Unfunded mandate”
- Agency staff

Required Content

- Form will likely be divided into multiple sections
- Required elements include:
  - Total direct costs, including differential tuition
  - Total estimated other costs including housing, food, books, materials, supplies, misc. personal expenses
  - Academic period covered by offer and enrollment factors (full or part-time, banded tuition or per credit hour, based on prior year tuition or aid year tuition)
  - Grants and scholarships (all sources)
  - Net price after grants and scholarships, with disclosure that net price is not equivalent to billed costs
  - Loan information, including disclosure that student may borrow less than what is offered, link to repayment calculator, plain language description of loan terminology
  - Supplemental information for students with dependent children including disclosure that student may request a dependent care allowance and information on the Minnesota Child Care Grant program
  - Process for accepting or declining aid and clear next steps (how to make payments, information on payment plans)

Discretionary Content

- Format still determined by the OHE Commissioner
- At the institution's discretion, offer letters may include:
  - Information on private student loans, including guidance that students should consider federal and state student loan options prior to applying for private loans and plain language about why
  - Information on work-study employment opportunities. Work-study information may not be included in the section for grants and scholarships
  - Other additional information determined by the institution provided that the information supplements the financial aid offer form, is not located on the financial aid offer form, and utilized the standard terminology developed by the commissioner under this legislation

Process

- OHE will lead this work in several phases:
  - Phase 1: OHE internal working group to develop work plan, conduct necessary research, develop draft list of standard terminology, create website
    - Internal work group: Lead (AC), financial aid director, comms department, audit department, and others as needed
    - Creating the "parking lot"
    - Identify any possible conflicts with federal guidance or best practices
    - Collecting additional example letters from state institutions
  - Phase 2: Solicit feedback on standard terminology; refine drafts of standard terms
    - Surveys, emails, and meetings … oh my!
  - Phase 3: Develop drafts of template options
    - The hard part!
  - Phase 4: Solicit feedback from students, families, high school counselors, and advocacy groups
  - Phase 5: Identify draft(s) to be posted by Sept 1, 2026, in consultation with higher education stakeholders
  - Phase 6: Review draft feedback, make revisions in consultation with stakeholders, determine final draft
  - Phase 7: Release final drafts of templates for campus/system implementation (target: Dec 2026/Jan 2027)

Lessons Learned

- Be clear about what problem you are trying to solve and center student voices
- Aligning implementation with financial aid calendar, not legislative one
- Offer multiple modalities to get stakeholder engagement
- Recognize that consensus might not be possible
- A little bit of budget helps
- Remember the little guy… what about cosmetology, massage, barbering programs?

Questions

Thank you!

Dr. Wendy Robinson, Minnesota Office of Higher Education
wendy.robinson@state.mn.us

Brendan Williams, uAspire
brendanw@uaspire.org

Anika Van Eaton, uAspire
anikav@uaspire.org