

NET PRICE CALCULATOR IMPROVEMENT ACT OF 2014

Senator Al Franken & Senator Grassley: Bill Summary

College is growing increasingly unaffordable for American families. Minnesota now ranks 4th in the nation for undergraduate student debt, with students graduating with an average of \$31,497 in student loan debt.

Net Price Calculators (NPCs) are online tools that provide prospective students with early, individualized college costs and financial aid figures early in the admissions process, before students decide to apply to specific schools. By entering information on their finances, academics and other factors, students can use these calculators to generate a unique financial aid profile that includes the full cost of attendance at a school, tuition and fees, room and board, the amount of grants and scholarships they are likely to receive, and the “net price” – what the college will cost after grants and scholarships are applied.

This tool outlines the estimated amount a student or family will need to save, earn or borrow to attend a particular school. In 2008, Congress required all institutions of higher education receiving federal funds to post a net price calculator on their website. However, many of these calculators are difficult for prospective college students to find, use, and compare. And when students and families don’t have the information they need about college costs, they may not take into account the total amount of financial aid offered and may disregard certain schools when deciding where to apply. In a recent College Board survey, more than half the students ruled out schools based on “sticker price.”

Senator Franken’s Net Price Calculator Improvement Act would make these calculators more user-friendly and accessible, so that students can understand the “net price” of going to different colleges before they decide where to apply.

Specifically, the Net Price Calculator Improvement Act of 2014 would:

- Help increase students’ access to net price calculators by requiring institutions to place their calculators on webpages where students and families are likely to look for cost and admissions information – such as the financial aid or tuition and fees page.
- Improve comparability between schools by requiring that “net price” be the most visually prominent figure on the results screen.
- Strengthen information for veteran students by requiring that calculators indicate on the results screen that prospective students may qualify for veteran benefits and include a link to direct eligible students to such benefits.
- Authorize the Department of Education to develop a “universal calculator” that would enable students to answer one set of financial and academic questions in order to generate a list of comparable net price estimates for multiple institutions of higher education.
- Require the Department of Education to submit a report on the steps the Department has taken to raise awareness of Net Price Calculators among prospective students and families, particularly those in high school and middle school, and students from low-income families.