

Charles & Sue's School of Hair Design 2025/2026 Award Year

Cost of Attendance (Budget)

Awards for most of the Federal Student Aid (FSA) programs are based on some form of financial need. Unlike scholarship programs that may award funds based on academic merit or the student's field of study, "need-based" grants, loans, and work-study are based on the student's demonstrated financial need for assistance. The cost of attendance (COA) is the cornerstone of establishing a student's financial need, as it sets a limit on the total aid that a student may receive for purposes of the Direct Loan programs and is one of the basic components of the Pell Grant calculation.

Allowable Costs

The types of costs that may be included are the same for all FSA programs. For the Direct Loan programs, the COA, based on the student's enrollment status, is a student's cost for the period for which the aid is intended. For Pell Grants the COA is always the full-year cost for a full-time student.

A student's COA is the sum of allowances for expenses in the categories listed below. The *FAFSA Simplification Act* modified some of the COA components for the 2025/2026 award year.

Tuition and fees

This allowance is for the tuition and fees normally assessed for a student in the cosmetology program.

Books, course materials, supplies, and equipment

Books, course materials, supplies and equipment are included as part of the tuition and fees component of our COA.

Transportation

The transportation allowance may include costs incurred by a student for transportation between school, residence, and place of work (including costs associated with operating and maintaining a vehicle used for such transportation), and other costs. However, the transportation allowance may not include costs for the purchase of a vehicle.

Miscellaneous personal expenses

This allowance may be included in the COA **only for students who are enrolled on at least a half-time basis**. Miscellaneous personal expenses may include costs incurred by a student for a prior learning assessment (for example, an exam or a portfolio evaluation).

Living expenses (food and housing)

For all students who are enrolled on at least a half-time basis schools **must** include in their COA an allowance for living expenses, including food and housing (formerly known as “room and board”). The food and housing allowance is based on the student’s situation.

- For **students living off campus (not in institutionally owned or operated housing)**, a standard allowance for rent or other housing costs.
- For **dependent students residing at home with their parents**, a standard allowance for living expenses is determined by the school. The living expenses allowance for these students cannot be zero.

Fees for federal student loans

For students receiving Direct Loans or loans under any other federal student loan program, the COA includes fees required to receive the loans (for example, the loan fee for a Direct Loan). Fees for non-federal student loans may not be included.

Overtime charges

Some schools may assess overtime charges for students who fail to complete their academic programs within the normal timeframe. Section 472 of the HEA defines COA as the tuition and fees normally assessed for a student carrying the same academic workload required of all students in the same course of study. Since overtime charges are not charges that are normally assessed (they are in addition to normal tuition and fees), they may not be included in a student’s COA for Title IV purposes, and therefore Title IV funds may not be used to pay overtime charges, even if a school obtains a student’s (or parent’s) authorization to do so.

This restriction applies to both clock-hour and credit-hour programs. For example, some clock-hour programs assess “overtime charges” for students who don’t complete their programs within an established timeframe. Some credit-hour programs charge additional tuition or fees for each course a student takes if the student fails to complete a program within an established timeframe. In both cases, such charges may not be counted in the Title IV COA, and Title IV funds may not be used to pay for the additional charges.

Packaging Aid

Once the school receives the student’s FAFSA information, including the student aid index (SAI), and has calculated the student’s aid eligibility. The general rule in packaging is that the student’s need-based aid must not exceed the student’s financial need, and total financial aid and other Estimated Financial Assistance (EFA) must not exceed the student’s cost of attendance (COA).

Packaging Overview

For some Title IV programs, eligibility is limited to students who have financial need. Students are considered to have financial need if their COA exceeds their SAI. These “need-based” programs include the Federal Pell Grant and Direct Subsidized Loan programs. The total aid that a student receives from need-based programs may not exceed the student’s financial need.

Pell Grants are considered to be the first source of aid for students with financial need. A student's eligibility for aid from the other need-based programs is then determined by subtracting the student's SAI and EFA (including the student's Pell Grant) from the COA:

$COA - SAI - EFA = \text{remaining need}$

For other Title IV programs, eligibility is not based on the student's SAI. These non-need-based programs include "Direct Unsubsidized Loan, and Direct PLUS Loan programs. A student's eligibility for non-need-based aid is determined by subtracting SAI (including any need-based aid) from the COA:

$COA - EFA = \text{eligibility for non-need-based aid}$

Depending on individual circumstances, students may receive only need-based aid, only non-need-based aid, or a combination of both types of aid. In general, the total amount of need-based aid cannot exceed the student's financial need, and the total amount of all aid cannot exceed the student's COA.

The COA used for the Pell Grant program is always the full-year cost for a full-time student. The costs may have to be pro-rated if student is a transfer.

The process of awarding aid without exceeding the student's financial need (for need-based aid) or COA (for total aid received) is traditionally called packaging. Packaging is a process that varies from school to school, depending on the types of scholarship and other aid available at the school, and the characteristics of the student population. Schools may have different packaging philosophies, but they generally try to find the best combination of aid to meet the financial needs of their students.

Pell Grants As First Source Of Aid

Pell Grants are considered to be the first source of aid for a student, and packaging Title IV funds begins with Pell Grant eligibility. Pell Grant awards are determined by using the appropriate Pell Payment Schedule for a student's enrollment status, COA, and SAI. A correctly determined Pell Grant is never adjusted to consider other forms of aid. When awarding aid from the other Title IV programs, we must ensure that the student's need, or COA is not exceeded.

If necessary, we must also adjust non-federal aid awards (e.g., institutional aid or private education loans) to ensure that the student's financial need is not exceeded. In some cases, a student who receives a Pell Grant may receive a scholarship or other aid that we can't adjust and that is large enough (in combination with the Pell Grant) to exceed the student's COA. In this case, the student is still eligible for a Pell Grant based on the appropriate payment schedule. However, we can't award any Title IV funds other than the Pell Grant.

Considering grants and subsidized loans first

The law requires aid administrators to determine whether a student is eligible for aid from certain other Title IV programs that would reduce the need for borrowing. Charles & Sue's School of Hair Design participates in the Federal Pell Grant Program; therefore, we must include the students' estimated Pell Grant eligibility as EFA when making awards.

Similarly, we must determine an undergraduate student's Pell Grant eligibility before originating a Direct Subsidized or Unsubsidized Loan for that student, and we must package Direct Subsidized Loans before Direct Unsubsidized Loans. In addition, we must determine an undergraduate student's maximum Direct Subsidized Loan eligibility before originating a Direct Unsubsidized Loan for the student. However, if a student has received a determination of need for a Direct Subsidized Loan that is \$200 or less, we have the option of including that amount as part of a Direct Unsubsidized Loan and are not required to originate a separate Direct Subsidized Loan for the student.

For a dependent student, we may originate and disburse a parent Direct PLUS Loan without determining the student's Pell Grant and Direct Subsidized Loan eligibility. However, if the student on whose behalf the parent is borrowing does receive Pell Grant funds and/or other types of aid for the same period of enrollment, that other aid must be considered when determining the Direct PLUS Loan amount that the parent is eligible to borrow. The amount of a parent Direct PLUS Loan cannot exceed the student's COA minus other financial assistance that the student has received.

EXAMPLE 19: BASIC PACKAGING

A dependent student has a COA of \$12,500 and an SAI of 2,500 for the current year. Therefore, the packaging process begins with \$10,000 in unmet need:

\$12,500 COA
- 2,500 SAI

\$10,000 need

The aid administrator begins by awarding a Pell Grant and applying for an outside scholarship before awarding any other aid. The student's EFA is a \$4,945 Pell Grant and a \$400 outside scholarship:

\$12,500 COA
- 2,500 SAI
- 4,945 Pell Grant
- 400 Scholarship

\$4,655 remaining need

The student has sufficient need for the maximum awards that the aid administrator can make under the school's policy for Campus-Based funds: \$3500 Direct Subsidized Loan and \$1155 Direct Unsubsidized Loan.

\$12,500 COA
- 2,500 SAI
- 4,945 Pell Grant
- 400 Scholarship
- 3500 Direct Subsidized Loan
- 1155 Direct Unsubsidized Loan

\$0 remaining need

Direct Loan packaging considerations

- Before we originate a Direct Subsidized Loan or Direct Unsubsidized Loan for an undergraduate student, we must determine the student's eligibility for a Pell Grant.
- Before originating a Direct Unsubsidized Loan for an undergraduate student, we must determine the student's maximum Direct Subsidized Loan eligibility.
- We may originate a Direct Subsidized Loan only for the amount of the student's financial need—the student's COA, minus the student's SAI and EFA.
- A student may qualify for a combination of both Direct Subsidized Loans and Direct Unsubsidized Loans.
- The parent of a dependent student can take out a Direct PLUS Loan to pay for the student's COA (assuming that the parent meets program eligibility requirements). There is no fixed loan limit for Direct PLUS Loans, but Direct PLUS Loans cannot be made for an amount that exceeds the student's COA, less other financial aid received.
- If the student is independent, or if a dependent student's parent is ineligible for a Direct PLUS Loan, the student is eligible for additional Direct Unsubsidized amounts.
- Direct Unsubsidized Loans and Direct PLUS Loans can be used to replace the SAI, as well as to cover the student's unmet need.
- Direct Subsidized Loans are available only to undergraduate students.
- Direct PLUS Loans are available to parents of dependent undergraduate students and to graduate and professional students. (Note that a Direct PLUS Loan does not count against a graduate/professional student's Direct Unsubsidized Loan annual or aggregate loan limits.)
- We may not limit Direct Loan borrowing by students or parents on an across-the-board or categorical basis.

The following chart breaks down Charles & Sue's School of Hair Design 2025/2026 Cost of Attendance (COA):

Total Cost of Attendance	1-900 Hours W/Parent	1-900 Hours Off-Campus	901-1000 Hours W/Parent	901-1000 Hour Off-Campus	Total Tuition
Tuition & Fees	\$17,100	\$17,100	\$1900	\$1900	\$19,000
Food Allowance	\$2744	\$2744	\$392	\$392	
Housing Allowance	\$6055	\$7840	\$865	\$1120	
Books/Supplies	\$0	\$0	\$0	\$0	
Transportation	\$2233	\$2233	\$319	\$319	
Personal Expenses	\$1638	\$1638	\$234	\$234	
Loan Fees	\$100	\$100	\$12	\$12	
Estimated Cost of Attendance	\$29,870	\$31,655	\$3722	\$3977	