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June 2023, pt. II State Authorization Updates and Information [1]

June 23, 2023 by erika.swain@cu.edu [2]

Good morning!
I received an interesting email from my Financial Aid office this morning and discovered a new requirement in the 2023-2024 Federal Student Aid Handbook, specifically in the Cost of Attendance (COA) chapter. It turns out we're now required to include the "Costs of obtaining a license, certification, or first professional credential" as part of the COA.

I'll wait for you to finish screaming…

According to the handbook:

> For students enrolled in programs that require professional licensure, certification, or a first professional credential, the COA must include an allowance for the costs of obtaining the license, certification, or credential. Examples of allowable costs include fees charged to take a licensing exam, and costs of applying for and obtaining the license or certification. Under this provision, the costs must be incurred during (not after) a period of enrollment, even if the exam takes place after the period ends.
>
> Schools may use either actual or average costs when determining the amount of this allowance. If a school chooses to use average costs, it must develop a reasonable basis for the average amount using the actual costs of a first professional credential that the school is aware of for the profession that a program prepares a student to enter.
>
> The allowance may include costs for multiple attempts at the license or credential test, though schools have discretion to set a reasonable limit on the number of attempts included in a student's COA.

The relevant statute for this addition to the Cost of Attendance is **HEA Title IV, Sec 472(a)(14):** "for a student in a program requiring professional licensure, certification, or a first professional credential, the cost of obtaining the license, certification, or first professional credential." This provision may have existed in law for a while, but the CCA 2021 Act gave ED the authority to regulate sec. 472, which was previously restricted.

Initial guidance for this requirement is available in the **FAFSA® Simplification Act Changes for Implementation in 2023-24 | Knowledge Center**, which updates the language on professional licensing costs from "may include" to "must include." We are not allowed to ask students for documentation proving they are incurring these charges, so we need to make assumptions about which students will incur the costs and estimate appropriate amounts. For more details, see specifically COA-Q4.

What does this mean for us: Connect with your Office of Financial Aid today—this requirement is non-optional. We have the option of using average costs. At CU Boulder, we're considering either using an average cost or the cost of a licensing exam in Colorado. We're having a few discussions right now and should have a solid plan and process by early next week. In any case, we're drafting language to make it clear that the cost listed is an estimate (or based only on Colorado) and will direct students to the professional licensure website in their award letters to find their state's relevant licensing agency.

Happy Friday?

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