Looking to the future and a debt free UC
Introduction

Today's Session

01 Review of UC's financial aid philosophy
02 The future of UC financial aid
03 FAFSA simplification: better FAFSA better future
04 Financial aid related resources
UC Financial aid philosophy
Financing partnership

PARENT

STUDENT

UC

UNIVERSITY OF CALIFORNIA
COUNSELOR
CONFERENCE
Big results for California students

$2.5B in grants and scholarships

- California
- UC
- U.S.
- Other

Grants
Scholarships
Results

Over 55% of CA undergrads pay no tuition because of grants & scholarship aid
Results

Over 70% of CA undergrads receive grants and scholarships (Average award of $18,000)
Results

nearly 55% of CA undergrads graduate with no student loan debt
The future is bright!
Two noteworthy UC aid programs

Path to Debt-Free UC

Native American Opportunity Plan
President Drake has established a landmark systemwide goal to provide a debt-free path to a degree for California students attending UC, wherein undergraduates students' will be able to cover their portion of their educational costs through service learning or students work-learning opportunities.

Furthermore, Governor Newsom has made providing a debt-free pathway a goal for the University to achieve for all California undergraduates by 2030.

The Legislature is also on board with a path to debt-free through the Middle Class Scholarship Program. In 2022-23, MCS was greatly expanded to provide just over a quarter of what the State needs to make CSU and UC debt-free. But that's not stopping UC from moving forward. President Drake approved a debt-free program for new California students in 2022-23 as a “down payment” on the promise of a debt-free UC. The 2022-23 year saw the initial phase of this program which offered augmented financial aid packages to low-income entering California undergraduates from Local Control Funding Formula schools. For the 2023-24 year, the program has been expanded to all entering California undergraduates with a $0 EFC.
The state has defined debt-free as the student having the ability through part-time work accumulate net earnings of $7,900. Part-time work is less than 20 hours per week and students have the option of securing work through work-study, service learning opportunities, or on or off-campus employment.
Prior to the implementation of this program, The financial aid office would evaluate the cost of attendance, the EFC, and an average self-help of $10,000 to determine the amount of grant and scholarship aid to offer to a student.

In this example the cost of attendance is $36,700. The self-help is the average $10,000. So UC would offer $26,700 in grant and scholarship.

Now with debt free, the grant and scholarship offer will be increased by $2,100.
Which will reduce the self help from $10,000 to $7,900 or the amount that the state has defined as the amount a student can earn working part-time.
So how will these students earn the amount needed to follow the debt free path?

Let’s say they work all 20 weeks of the academic year. If you take the $7,900 that they need to net and divide it by 36 weeks, that comes to $219.44 per week that they need to bring home.

California’s minimum wage is $15.50 per hour as of January 1, 2023.

Working 16 hours per week at $15.50 per hour a student would earn $2480.00 per week, which nets to about $227 after taxes. Slightly higher than what is needed.

Of course their earnings can also be supplemented by programs like CALKids or other savings or outside scholarships.
Path to Debt-Free UC: communications to students

Eligible students…

- May still see loans in their financial aid offer and will retain the right to borrow

- Will receive communications informing them of that they have been selected for the Path to Debt-Free program along with their augmented aid offer
**CalKIDS** provides low-income California public school children with up to $1500 for college

**CalKIDS** is a program that helps children in California get access to higher education, especially those from traditionally underserved communities. Enrollment in CalKIDS is automatic. Eligible beneficiaries are identified by the California Department of Public Health and the California Department of Education. **No action or financial commitment is required of families to participate.**
Path to Debt-Free UC: CalKIDS

Current school-aged student eligibility:

- Low-income California public school students
- Enrolled in 1st-12th grades during the 2021-2022 academic year
- Low-income first graders during the 2022-23 and subsequent academic years

CalKIDS is a new program from the State of California that provides up to $1,500 in free money for college to eligible public school students. CalKIDS can help families boost their children's college savings and increase access to higher education.

To learn more and to find out if your child qualifies, visit calkids.org today!
Path to Debt-Free UC: CalKIDS

Eligible low-income public-school students receive a:

- $500 auto deposit in a CalKIDS Account
- $500 additional deposit for eligible students who are foster youth
- $500 additional deposit for students who identify as homeless
Native American Opportunity Plan (NAOP)

UC’s Native American Opportunity Plan (NAOP) ensures that in-state systemwide Tuition and Student Services Fees are fully covered for California students who are also enrolled in federally recognized Native American, American Indian, and Alaska Native tribes.
Native American Opportunity Plan

Requirements

➢ Enrolled in a federally recognized Native American, American Indian, or Alaskan Native tribe
➢ Meet UC’s California residence for tuition purposes or AB540 requirements
➢ UC undergraduate or graduate student enrolled in a state-supported degree program
➢ Apply for financial aid by submitting the FAFSA or California Dream Act application by the March 2 priority deadline

Students not in federally recognized tribes could apply through the other.
FAFSA simplification: better FAFSA better future
What is the FAFSA Simplification Act?

Background:

- The Consolidated Appropriations Act 2021 & 2022 amended HEA of 1965 and FAFSA
- The Department of Education phased implementation began during 2021-22
- The 2024-25 award year will see the full implementation
What we know

- 2024-25 application opening
  Dec 2023
- SAI Replaces EFC
- Changes in Need Analysis
- Expanded access to Pell Grants
- A streamlined application process
What students and parents need to know

- 2024-25 Application Cycle:
  Dec 2023-March 2, 2024
What students and parents need to know

- **2024-25 Application Cycle:** Dec 2023-March 2, 2024

- **Contributors:** The Student and Parent(s)
What students and parents need to know

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- **Contributors:** The Student and Parent(s)

- **FSA ID:** All Contributors will need to have an FSA ID

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**Key Change – FSA ID Requirement**

All students and contributors must create a StudentAid.gov account to complete the FAFSA® form online.

To log in to their accounts, students and contributors will use their FSA IDs (account usernames and passwords).

Even if a contributor doesn’t have a Social Security number, they can still get an FSA ID to fill out their portion of the student’s FAFSA form online.

NOTE: A student must be a U.S. citizen or eligible noncitizen to be eligible for federal student aid.
What students and parents need to know

- **2024-25 Application Cycle:** Dec 2023-March 2, 2024

- **Contributors:** The Student and Parent(s)

- **FSA ID:** All Contributors will need to have an FSA ID

- **Professional Judgments**
  - **Guidance Updated:** Reflects UC's current practices
The Department of Education (DOE) has not provided the specific date for when the application will open.
Demos of the new FASFA are scheduled this summer
The DOE is developing an outreach campaign to be delivered this summer.
Official guidance will be released through fall 2023
Sign up for updates!

StudentAid.gov
Financial Aid Toolkit

http://www.studentaid.gov/
UC resources
The UC Tuition and Financial Aid page is geared towards perspective students and their families. It is the hub for information regarding our systemwide financial aid programs with tips for completing the financial aid application process. It also links to campus financial aid sites and tools.

We have also produced a series of short yet helpful videos on an array of financial aid topics, such as the cost to attend UC, how to read a financial aid award letter, and ways of saving cost while in school.

The UC Info Center is way to explore the UC story through data. It’s home to the UC Accountability Report which has information on UC undergraduate admissions and enrollment, undergraduate affordability and student success.

Resources

UC Tuition and Financial Aid

UC Financial Aid Videos
https://www.youtube.com/watch?v=1MWsGbIlfdE&list=PLwL0JPr9mVI3HbkycPjbvRNIH4v gre5zG

UC Info Center
https://www.universityofcalifornia.edu/about-us/information-center
Thank you!