
Dollars & sense: Decoding financial aid

September 2026

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Agenda

- Undergraduate Financial Aid at UC
- Federal and State Aid Updates
- Deciphering the financial aid award letter

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Undergraduate Financial Aid at UC



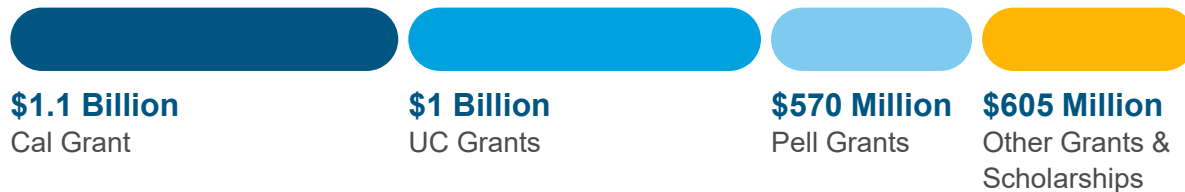
Blue and Gold: UC Financial Aid at a Glance

Blue and Gold is how UC awards all types of financial aid — our strategy to make a UC education accessible and affordable for California students.

\$3 Billion+

in grants and scholarships awarded
to UC students every year

WHERE THE AID COMES FROM



52%

TUITION COVERAGE

of CA undergrads pay no tuition. Families earning up to \$100,000 pay \$0.

64%

MINIMIZED DEBT

of CA undergrads graduate with no student loan debt, using aid plus part-time work.

67%

GRANTS & SCHOLARSHIPS

of CA undergrads receive grant aid — an average of \$24,000 each last year.

All

TUITION PREDICTABILITY

students benefit from UC tuition policy — tuition is locked at enrollment for up to six years.

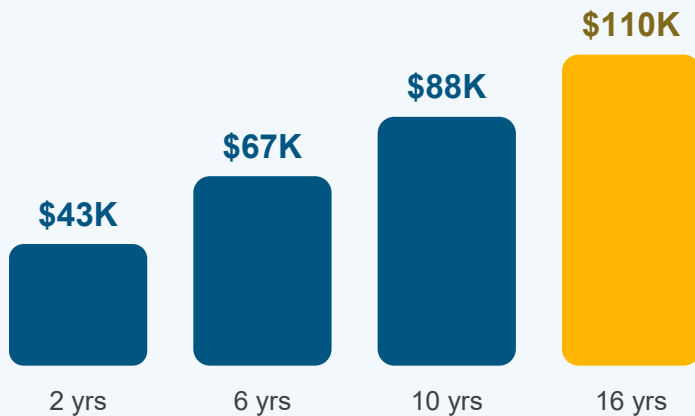
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The Personal Value of a UC Degree

MEDIAN EARNINGS AFTER GRADUATION



4–6 yrs

to break even on the cost of the degree

36%

of UC's lowest-income students become top 20% income earners

27%

own a home 8 years out
—vs 14% of similarly aged Americans

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UC Office of the President, Fiat Lux: What Is the Value of a UC Degree? (2021)

People Who Say College Isn't Worth It Haven't Seen This Data

\$2.1 million

cumulative earnings, first 20 years

+\$1.23M

vs. high school only

+\$439K

vs. all CA bachelor's holders

GRADUATE WITH ZERO STUDENT LOANS

64%

of UC's California undergraduates

AVERAGE DEBT AT GRADUATION

U.S. private		\$34,000
U.S. public		\$27,000
UC in-state		\$17,300

Most UC low-income undergraduates out-earn their parents within three years of graduating

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UC Newsroom, July 2026, from UC Office of the President economic-benefits data

Federal & State Aid Updates





Federal & State Aid Updates

FEDERAL AID

Enrollment level affects loan eligibility

New Parent PLUS borrowing caps

STATE AID

Middle Class Scholarship Funding

Enrollment Levels & Borrowing

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Less-Than-Full-Time Enrollment Reduces Loans

Students enrolled less than full-time may receive reduced federal student loans.

FULL-TIME THRESHOLDS

12 units

per term — Undergraduate

By program

Graduate full-time status is defined by
the program

IF UNITS DROP, SO DOES THE LOAN OFFER

FULL-TIME · 12 UNITS



\$1,800

Full-time loan offer

-25%

PART-TIME · 9 UNITS



\$1,350

Offer at 9 units (75%)

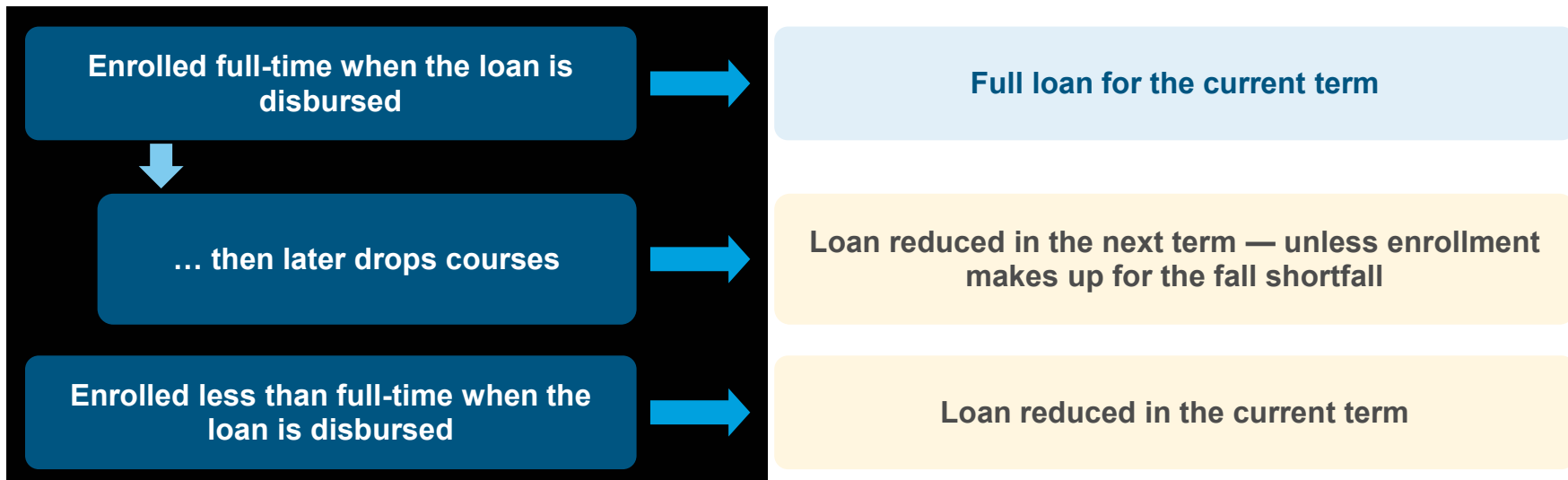
9 units is 75% of a full 12-unit course load — the loan offer scales down proportionally, not off a cliff.

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When Does the Loan Reduction Take Effect?



EXCEPTION Reduced enrollment in spring terms is adjusted within the term. Timing and reconciliation vary by campus.

Implications for UC

- Advise students to meet with the financial aid office on part-time enrollment before schedules are finalized.
- Inform students of Basic Needs Offices and other student support services to assist with financial emergencies.

New PLUS Loan Limits

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New Parent PLUS Borrowing Caps

\$20,000

Annual borrowing cap

\$65,000

Lifetime cap per student

HOW THE LIFETIME CAP STACKS UP

\$20,000

Year 1

\$20,000

Year 2

\$20,000

Year 3

\$5,000

Year 4

The \$65,000 lifetime cap is roughly 3¼ years of borrowing at the annual maximum.

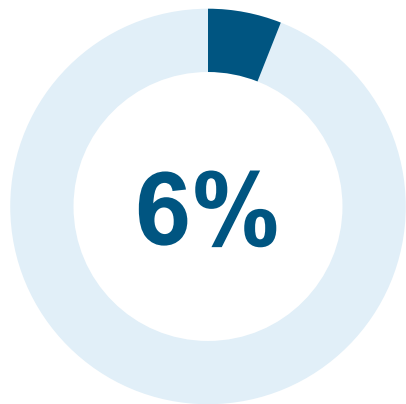
New caps take effect for new borrowers in Fall 2026.

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Few Borrowers, but Heavy Reliance



of UC undergraduates use
Parent PLUS loans

2024–25 borrowing data.

>50%



of CA resident Parent PLUS borrowers exceeded the
new annual cap

>90%



of nonresident Parent PLUS borrowers exceeded the
new annual cap

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Direct families who need to borrow beyond the new limits to the financial aid office to discuss private loan options.

Middle Class Scholarship

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Middle Class Scholarship 2026–27: Tighter Caps, Smaller Awards

ELIGIBILITY CAPS · HOUSEHOLD INCOME & ASSETS

DEPENDENT

INCOME CAP

\$250,000

ASSET CAP

\$250,000



INDEPENDENT

INCOME CAP (BY
MARITAL STATUS)

\$144,000 or \$165,000

ASSET CAP

\$119,000



Bars are drawn to the same scale, against the \$250,000 maximum.

AWARDS SHRINK IN 2026–27

AVERAGE AWARD PER STUDENT

2025–26

\$3,000



2026–27

\$2,000

–\$1,000 per student

TOTAL PROGRAM FUNDING

2025–26

≈\$1B



2026–27

\$680M

–\$320M in total funding

About 100,000 UC students receive the scholarship each year.

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Implications for UC

- Smaller awards may lead some students to work more hours or borrow, though most UC undergraduates still graduate debt-free.
- Advise recipients to plan for a smaller award as they build their budgets for the year.

What good news is there?

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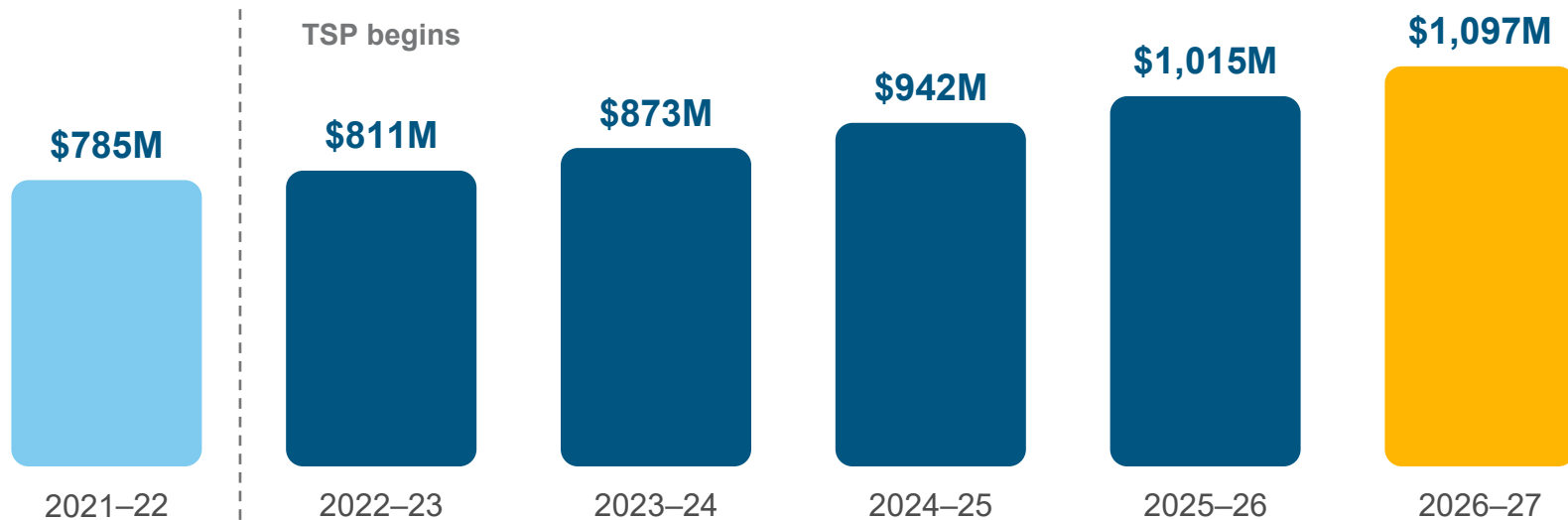
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The Good News

- We avoided several worse proposals, including deeper cuts to Pell Grants.
- Advocacy for further changes continues.
- The renewal of the Tuition Stability Plan (TSP) means more UC Grant (USAP) money for students.

Continued Growth in UC Grant Funding

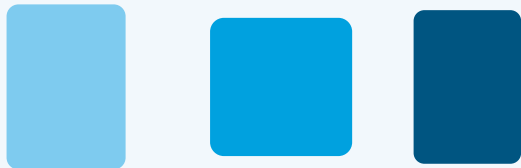


Deciphering the Financial Aid Offer



Two Documents, Two Different Jobs

Every admitted student who applies for aid gets two documents from each campus.



THE CAMPUS OFFER

Looks different at every campus and lives in that campus's portal. Useful, but hard to compare side by side.



THE COLLEGE FINANCING PLAN

A federal template. Same fields, same order, at every school — including the ones that aren't UC.

This is the one page students can lay side by side.

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Anatomy of the College Financing Plan

2026–27 College Financing Plan

1 Student name & date issued

Check the aid year matches — 2026–27.

2 Estimated Cost of Attendance

Tuition, housing, food, books, transport. An estimate, not a bill.

3 Student Aid Index

Comes from the FAFSA. Not what the family will pay.

4 Grants & Scholarships

Gift aid. Never repaid — this is what lowers the cost.

5 Net Price

Cost of attendance minus gift aid. Compare on this.

6 Loans & Work-Study Options

Loans are repaid; work-study must be earned.

7 Campus contact & next steps

Who to call, plus any campus-specific message.

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What a UC College Financing Plan Looks Like Filled In

University of California

2026–27 College Financing Plan

Sample Student · Student ID 000000000

Date issued: March 2026

Estimated Cost of Attendance 2026–2027

Tuition and fees	\$17,388
Housing and food	\$21,200
Books and supplies	\$1,400
Transportation	\$3,700
Other education costs	\$3,700

Estimated Cost of Attendance **\$47,388**

Student Aid Index

Based on the FAFSA 0

Scholarship and Grant Options

Federal Pell Grant	\$7,400
Institutional grants	\$12,300
State grants	\$15,588
Scholarships from your school	\$2,000

Total Grants and Scholarships **\$37,288**

Estimated College Costs You Will Be Required to Pay

Net Price **\$10,100**

Loan Options

Federal Direct Subsidized Loan	\$3,500
Federal Direct Unsubsidized Loan	\$2,000

Total Loan Options **\$5,500**

Work Options

Federal Work-Study	\$3,000
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Total Work **\$3,000**

Other Options

Parent PLUS loan
Tuition payment plan

For more information and next steps: contact the campus financial aid office.

Net price \$10,100 – \$5,500 loans – \$3,000 work-study = \$1,600 still to cover.

Cost figures are UC's published 2026–27 averages for a California resident living on campus. Aid amounts are illustrative.

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Net Price Is the Comparison Number



Loans and work-study are not subtracted. They are how a family pays the net price — not a discount on it.

Two campuses can offer very different amounts of aid and still leave a family with the same net price — or the reverse.

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Sort Every Line Into One of Two Columns

GIFT AID — NOT BORROWED

Federal Pell Grant

Cal Grant

UC Grant

Middle Class Scholarship

Campus & outside scholarships

SELF-HELP — BORROWED OR EARNED

Federal Direct Student Loan

Parent PLUS Loan

Federal Work-Study

Remember: Parent PLUS is now capped at \$20,000 a year and \$65,000 per student, so it may not stretch as far as families expect.

Only the left column reduces what a family owes.

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Two Offers, Side by Side (illustrative figures)

CAMPUS A

Cost of attendance **\$48,000**

Grants & scholarships **\$30,000**

Federal Direct Loan offered **\$5,500**

Work-study offered **\$3,000**

Total aid offered **\$38,500**

CAMPUS B

Cost of attendance **\$38,000**

Grants & scholarships **\$24,000**

Federal Direct Loan offered **\$5,500**

Work-study offered **\$2,500**

Total aid offered **\$32,000**

Campus A offers \$6,500 more. So which student pays less?

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The Number That Decides It

NET PRICE — WHAT THE FAMILY ACTUALLY PAYS

CAMPUS A



\$18,000

CAMPUS B



\$14,000

$$\$48,000 - \$30,000 = \$18,000$$

$$\$38,000 - \$24,000 = \$14,000$$

Campus B costs \$4,000 less a year — \$16,000 across four years.

...even though Campus A advertised \$6,500 more in total aid.

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What to Check on Every Offer

- 1 Find the net price. Ignore the “total aid” headline.
- 2 Check the housing assumption — on campus or at home changes the cost.
- 3 Separate gift aid from loans and work-study.
- 4 Ask which awards renew and which are one year only.

Thank you