Good afternoon!

The title of this session is Tuition Stability, Financial Aid & Scholarships. We will be discussing all of these topics, not in that particular order.

Let's go ahead and get started.
So in today’s session I plan to accomplish three things:

First we will review UC’s financial aid philosophy. This will be probably be a good reminder for many of you. For our new participants it will give you some insight on how we view financial aid and how our students benefit from that view.

Next we will dive into outside scholarships. Each year I’m asked about scholarships that students secure outside of the university and how those scholarships are added to a student’s financial aid package. This portion of the today’s presentation will give you all a better understanding of how it works.

And last, but not least, we will talk about UC’s new Tuition Policy and what it means for your students.
First let's look at our financial aid philosophy.
Financing partnership

**PARENT**
Contributes based on their financial resources

**STUDENT**
Contributes by working and borrowing

**UC**
Coordinates fed, state, and UC resources
$2.5 Billion
In Grants & Scholarships
BIG RESULTS
FOR CALIFORNIA STUDENTS!!!

57% Pay $0 in Tuition
    ($12,570 for 2019-20)

42% Have no debt
    (All CA Students)

72% Get Grants and Scholarships
    (Avg Award
    $18,000)
The Blue and Gold Opportunity Plan is UC’s bumper sticker financial aid message. It promises that California families earning under $80,000 and that are eligible for financial aid will pay $0 in UC systemwide tuition.

Because income is not the only factor that determines a student’s financial aid eligibility, we strongly encourage families who earn more than $80,000 to apply for financial aid.
Another program that our students benefit from is the California state funded Middle-Class Scholarship program. This scholarship program is available to California students with family income and assets up to $191,000. Eligible students are ensured that between 10 and 35 percent of their systemwide tuition and fees will be covered.
Outside/Private Scholarships

UC Aid & Outside Scholarships
UC’s practice is to provide students with the most beneficial financial aid package while adhering to federal and state regulations.
When looking to add an outside scholarship there are a number of questions that have to be answered:

For Financial need, we want to know:

1. Does the student have financial need based on their FAFSA or California Dream Act Application information? Has the student’s need been covered partially or fully by federal, state, or UC aid?

2. We want to know the student’s current cost of attendance is. This is important, as the student’s aid cannot exceed the student’s cost of attendance.

3. We look at the conditions of the scholarship to determine are there any restrictions? Meaning does the scholarship have instructions that restrict what the funds can be used for and has that item already been paid by another restricted source.
First, let's take a look at financial need. UC utilizes federal methodology when determining a student's financial need. The information from the student's financial aid applications calculates a number called the Expected Family Contribution or EFC. We use that number to determine the student's financial need and eligibility for need-based awards, like scholarships, grants, subsidized loans, and federal work-study.
To determine a student’s financial need we take the cost of attendance assigned to the student. In this example we will use a typical cost of attendance amount that would be assigned to a student living on-campus of $36,700, and subtract the Expected Family Contribution as determined by the FAFSA or CA Dream Act Application. In this example we will use a student with $0 EFC. This gives the student a Gross Financial Need of $36,700.
Now that we know what the student’s Gross Need is, we begin to award the student need-based aid based on the student’s eligibility for federal, state and university aid. In this example the student is eligible for a total of $26,200 in grants and scholarships from various federal, state, and university aid sources. Once the student is awarded the maximum that they are eligible for in grants and scholarships, we then determine the students eligibility for need-based loans and work-aid, such as federal subsidized loans and federal work-study. We see here the student was offered $7,500 in a combination of need-based loans and work-study. This students total need-based aid comes to $33,700.
If all else stays the same during the review process, we then determine the student’s “Unmet Need”. “Unmet Need” is a financial aid term that describes the amount of need-based aid a student can still receive after their initial awards have been offered. To determine unmet need, we take the Gross need, in this case $36,700, and subtract the total need-based aid the student has been offered, in this case $33,700. Remember that the Need-base aid offer includes need-based loans and work-study as well. In this example the student has an unmet need of $3,000.

Once the student’s eligibility for need-based aid has been maximized, if there is an unmet need, that amount can be covered by non-need based loans, like a federal unsubsidized loan.

In this example, if the student received an outside scholarship for $3,000 or less, it would go towards their unmet need. If that unmet need had already been covered by an unsubsidized loan, that loan would be adjusted accordingly to make room for the scholarship. If the unmet need had not been covered by any other types of aid, then no adjustments would be required.
Here is how we prioritize aid adjustments. The first priority is to cover the student’s unmet financial need. If the outside scholarship exceeds the unmet need, we would cover the unmet need and any excess funding would require a adjustment to the student’s need-based loans or work-study. If the outside scholarship exceeds the combined unmet need and need-based loans and work-study, then an adjustment to the students gift aid would be required.
Any student receiving financial aid can only receive aid up to the Cost of Attendance for the academic year. In the next slides, we will look at some examples of different students and adjustments to aid required due to the cost of attendance and the student’s financial need.
In our first example, we have another student with a $0 EFC. The student is packaged with Gift Aid (Aka grants and scholarship) and Self-help aid (aka loans and work-study) that cover the full cost of attendance. Based on the information provided in the student’s financial aid application, the parents will not be expected to contribute to their student’s education. The university offers $26,200 in gift aid and $10,500 in Self-help aid. Totaling $36,700 in aid.
The student receives an outside scholarship for $1,000. Because the student is already fully funded, there is not space to include this scholarship without exceeding the cost of attendance, which is a violation of federal regulations.
So to stay in compliance and provide the most beneficial package to the student, a reduction of $1,000 to the student’s loan is made. There is no adjustment to the student grant and scholarship awards.
If the same student was a go getter when it comes to outside scholarships and racked up a combination of scholarships totaling $11,500, this would completely eliminate the need for the student to work and borrow, pus in order to stay within the cost of attendance a reduction of UC grant aid by $1,000 work be required. Although it may feel like the student has lost aid, the reality is the combination of federal, state, university, and outside scholarships resulted in a full ride for the student.
Here is our second student example. This student’s parents have a $7,000 Contribution for the year. The Parent contribution comes from the Expected Family contribution. The parents can use savings, current income, Federal parents loans or a combination of all available resources to cover their expected contribution. This student is still eligible for gift aid in the amount of $19,200. The student is also offered $10,500 in student loans and work-study to meet the cost of attendance.
The student secures an outside scholarship for $1,000. In this case we must look at the student’s cost of attendance and financial need to determine what adjustments need to be made. We will assume the parents have taken out a federal PLUS loan option for $7,000. The addition of the outside scholarship gives the student a package that exceeds the cost of attendance and the students financial need.
This wouldn’t require an adjustment to the student’s Gift Aid, but the self-help would need to be reduced by $1,000 and because the student had no unmet need, the scholarship would reduce the student’s eligibility for either subsidized loans or work-study by $1,000.
If the same student received a combination of $11,500 in outside scholarships the student’s self-help aid would be completely eliminated and an adjustment to the student’s Gift aid by $1000 would be required to keep the student’s aid within the cost of attendance and cover the student’s assessed need.
Restricted scholarship commonly impact a student’s grant funding.
The typical example is a student awarded a state funded Cal Grant which, minus the access award for Cal Grant B recipients, is restricted to cover systemwide tuition and fees at UC. In this example the student has a Cal Grant covering Systemwide tuition and fees and an outside scholarship for $5,000 that has terms that requires it be applied to tuition and fees. In order to add the scholarship to the student’s financial aid package we would need to reduce the CalGrant by $5,000.
Although it was a lot, I hope the last section gave you all a better idea of how outside scholarships.

Next let’s get into the new UC tuition policy. The UC Board of regents passed this tuition policy July of this year. I plan to cover what the policy is, when it goes into affect, why the policy was changed, and how student and their families will benefit from this change.
So What is the Tuition Stability Plan?

Well it’s a multi-year plan that sets tuition and fees for undergraduates based on their initial year of enrollment. Students and families can should plan to have the same level of systemwide tuition and fees until the student graduates or for up to six academic years, which ever comes first.

When is this will this start?

Continuing students and students entering Fall 2021, their will be no tuition changes. Students entering Fall 2022 will be charged tuition at a rate that is 4.2%, that’s a $534 increase over UC’s current tuition. Each new entering class will have a tuition increase based a factor plus inflation.

Why is UC making this change?

This accomplishes three major items:

1. It provides a way for families to plan with out worrying about tuition increases from year to year.
2. Part of the additional revenue will go towards financial aid which helps us to better support low income students with their educational cost.
3. It assures that UC will have the funding to continue to provide a world class education to California students.
Here are some questions you may have about this new policy:

Does the plan guarantee that tuition will not change?

- This is not a guarantee. But families should plan to have the same rate of systemwide tuition and fees for up to 6 academic years. With that being said, the regents has retained the ability to make changes to tuition if needed due to unforeseen issues, like major changes in state funding.

How does this plan help families with college costs?

- It minimized expected tuition increases so that families can better plan their student’s education.

How will the additional funds be used?

- The majority of the new revenue generated by this plan will go towards financial aid. The remaining funds will enable UC to expand enrollment, reduce class sizes, hire faculty, enhance student support services, and upgrade equipment, classrooms, and labs.
For more information on the Tuition stability plan, I would recommend that you take a look at the frequently asked questions page on the UC admissions site.
For more information

**UC Tuition and Financial Aid**
https://admission.universityofcalifornia.edu/tuition-financial-aid/

**UC Admissions Application**
https://admission.universityofcalifornia.edu/apply-now.html

**UC Info Center**
https://www.universityofcalifornia.edu/infocenter

**Free Application for Federal Student Aid (FAFSA)**
fafsa.gov

**California Dream Act Application (CADAA)**
dream.csac.ca.gov
UC Berkeley
(510) 664-9181
financialaid.berkeley.edu

UC Davis
(530) 752-2390
financialaid.ucdavis.edu

UC Irvine
(949) 824-8262
ofas.uci.edu

UC Los Angeles
(310) 206-0400
financialaid.ucla.edu

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finaid.ucr.edu

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fao.ucsd.edu

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financialaid.ucsc.edu
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