# What You Need to Know About Financial Aid

OCTOBER 2023

# Topics We Will Discuss

- WHAT IS FINANCIAL AID?

- COST OF ATTENDANCE (COA)

- THE EXPECTED FAMILY CONTRIBUTION (EFC)

    -STUDENT AID INDEX (SAI)

- NET PRICE – WHAT YOU HAVE TO PAY

- CATEGORIES, TYPES AND SOURCES OF ASSISTANCE

- THE APPLICATION PROCESS

# What is Financial Aid?

- Financial aid is funds provided to students and families to help pay for postsecondary educational expenses

- Can include loans and jobs as well as scholarships or grants

- Need-Based and Non-Need-Based (Merit) aid is available

# Cost of Attendance

STANDARD STUDENT BUDGET

# Sample COA's – Stanford University

## 2023-2024

*Direct Costs Charged by Stanford*

| | |
|---|---|
| Tuition | $61,731 |
| Room & Board | 19,922 |
| Student Fees | 2,205 |

*Other Estimated Costs*

| | |
|---|---|
| Books & Supplies | 825 |
| Personal Expenses | 3,150 |
| Travel | Varies |
| Total | $87,833 |

**SJSU** | FINANCIAL AID AND SCHOLARSHIP OFFICE

# 2023– 2024 STUDENT BUDGET
# UNDERGRADUATE STUDENTS

| **TUITION & CAMPUS FEES (6.1 or more units) | $7,992 | | |
|---|---|---|---|
| **STANDARD STUDENT BUDGET ALLOWANCES** | **WITH PARENTS** | **CAMPUS HOUSING*** | **OFF CAMPUS** |
| FOOD AND HOUSING | $10,124 | $19,866 | $19,430 |
| TRANSPORTATION | $1,610 | $1,106 | $1,764 |
| MISCELLANEOUS / PERSONAL | $2,692 | $2,406 | $3,146 |
| BOOKS & SUPPLIES | $938 | $938 | $938 |
| **UNDERGRADUATE TOTAL** | **$23,356** | **$32,308** | **$33,270** |

# Berkeley Financial Aid & Scholarships

| Living Arrangement for 2023–24: | Living in a Campus Residence Hall | Living in an On-Campus Apartment | Living in an Off-Campus Apartment | Living with Relatives |
|---|---|---|---|---|
| **Tuition and Fees** | $15,602 | $15,602 | $15,602 | $15,602 |
| **Living Expenses** | $20,576 | $16,584 | n/a | n/a |
| **Student Health Insurance Plan** | $3,858 | $3,858 | $3,858 | $3,858 |
| **Total Direct Undergraduate Costs** | **$40,036** | **$36,044** | **$19,460** | **$19,460** |
| | | | | |
| **Total Cost of Attendance** *(including Personal Expenses\*)* | **$46,168** | **$45,492** | **$41,592** | **$33,010** |

# Expected Family Contribution

E F C

# Dependency Status

- Determines whether parents have to provide information.
- Undergraduates are dependent (parent info required) unless:
  - 24 by January 1 of the academic year
  - Married
  - Have dependents (who receive more than half of their support from the student)
  - Veteran or active duty in US Armed forces
  - Since age 13, in foster care or ward of the court or orphaned
  - An Emancipated Minor or in a legal guardianship as determined by a court
  - An unaccompanied youth who is homeless or self-supporting and at risk of homelessness
- This definition is for Federal Aid.  Schools may still ask for parent information to award institutional aid

# Which Parent?

- In cases of divorce or separation, for federal aid it is the parent who provides the most support to the student.
  - If that parent has remarried, the step-parent information is also required.
  - Schools may ask for information from the non-custodial parent for the purpose of awarding institutional need-based aid.
  - Changing for 2024-2025
    - https://studentaid.gov/apply-for-aid/fafsa/filling-out/parent-info

# Expected Family Contribution (EFC)/ Student Aid Index (SAI)

**Computed amount family is expected to contribute**

**Calculated using FAFSA (Free Application for Federal Student Aid) data and a federal formula**

**Some schools may use the CSS Profile Application and an institutional formula for awarding their own aid**

**Student contribution**

**Parent contribution**

*(for dependent students)*

# Parent Contribution

- Measure of family Financial Strength
- Calculated based on Parent Income and Assets
- Standard Allowances are made for
  - Living expenses (based on family size)
  - Federal and state taxes

- 2022 is the "base year" for 2024-2025 academic year

# Student Contribution

- Calculated based on Student's Assets and Income
- Federal analysis expects 20% of assets in student's name to be available for educational expenses each year

# Why is the EFC/SAI calculation so important?

- EFC is used for awarding Need-Based Aid
- EFC is changed to SAI Student Aid Index for federal aid in 2024-2025.
- "Need" is the difference between Cost of Attendance and Expected Family Contribution (CO

# What is "Net Price"?

COST OF ATTENDANCE

−   SCHOLARSHIPS/GRANTS (GIFT MONEY)

=   NET PRICE (WHAT YOU'LL HAVE TO PAY)

- Review each college Net Price Calculator
- Federal Student Aid Estimator
  - https://studentaid.gov/aid-estimator/

# How much financial aid can I get?

- The amount of aid you can receive depends on two things:
  - **The Cost of Attendance (COA)**
    - Determined by the school. It includes:
      - Direct Costs
      - Indirect Costs
  - **The Expected Family Contribution (EFC)/Student Aid Index (SAI)**
    - Calculated based on your financial aid application
    - Determines eligibility for need-based aid

- These things may vary widely from college to college

# Types of Financial Aid

SCHOLARSHIPS/GRANTS
LOANS
STUDENT EMPLOYMENT

# Scholarships/Grants

- Money that does not have to be paid back
- Scholarship- Usually awarded on the  basis of merit, skill, or a unique characteristic
- Grant- Usually awarded on the basis of financial need

# Loans

- Money students and parents borrow to help pay educational expenses
- Repayment usually begins after education is finished – look at federal programs first
- Current (federal) interest rates start at 5.5%
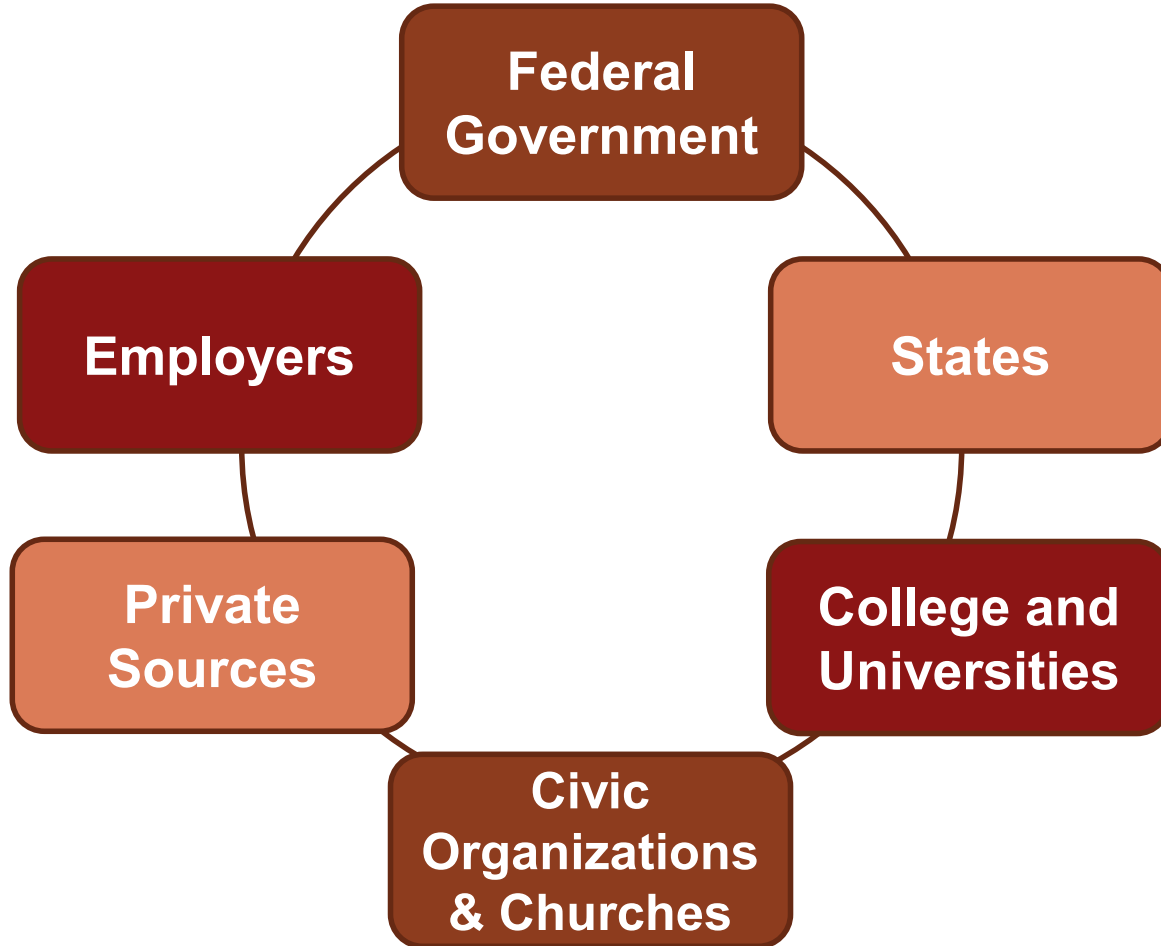- Only borrow what is really needed
- Look at loans as an investment in the future
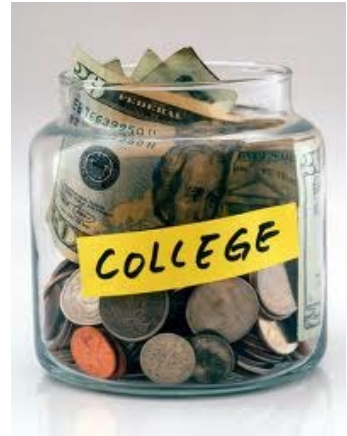
# Student Employment

- Allows student to earn money to help pay educational costs

- Working part-time is helpful for most students; Working too much can affect grades!

# Sources of Financial Aid

# Federal Government

- Largest source of financial aid
- Student must be a US Citizen or Permanent Resident
- Aid awarded primarily on the basis of financial need
- Must apply every year using the FAFSA
- Studentaid.gov

# State Student Aid Programs

- California Student Aid Commission ([www.csac.ca.gov](http://www.csac.ca.gov))
  - CA Community Colleges Board of Governors Fee Waiver
  - Middle Class Scholarship (UC/CSU Only)
  - Cal Grants (full fees at UC/CSU, $9,558 at private non-profits in CA)

- Application Deadline is April 4, 2024
  - FAFSA (for US Citizen/Perm Resident) listing a CA College, & GPA Verification (which your high school will submit on your behalf)
  - California Dream Act Application ([dream.csac.ca.gov](http://dream.csac.ca.gov)) for undocumented students who attended CA high schools

## 2024-25 CAL GRANT PROGRAM INCOME CEILINGS

|  | Cal Grant A and C | Cal Grant B |
|---|---|---|
| **Dependent students and** | | |
| **Independent students with dependents other than a spouse** | | |
| Family size: | | |
| Six or more | $151,600 | $83,300 |
| Five | $140,600 | $77,100 |
| Four | $131,200 | $69,000 |
| Three | $120,700 | $62,000 |
| Two | $117,900 | $55,000 |
| **Independent students** | | |
| Single, no dependents | $48,100 | $48,100 |
| Married, no other dependents | $55,000 | $55,000 |

## 2024-25 CAL GRANT PROGRAM ASSET CEILINGS

| | |
|---|---|
| Dependent students [1] | $101,500 |
| Independent students [2] | $48,300 |

# Colleges and Universities

- Award aid on the basis of both merit and need
- Aid may be gift aid or loans/work
- Deadlines and application requirements vary by institution
- Many have funds for non-US Citizens

# Private Scholarships

- Research what is available in community or through employers
- Application process usually senior year – start early!
- Internet databases – https://bigfuture.collegeboard.org/scholarships, www.scholarships.com
- Your high school is a good source for information about local scholarships
- Small scholarships add up!
  - opportunity.collegeboard.org - earn scholarships just for completing college application steps

# The Application Process

# Free Application for Federal Student Aid (FAFSA)

- https://studentaid.gov/h/apply-for-aid/fafsa

- A standard form that collects demographic and financial information about the student and family

- Required by all schools awarding federal aid

- **2024-2025 FAFSA** available **December 2023** and asks for info from parent and student's **2022 tax forms**

## Create an Account (FSA ID)

**Parents**  **Students**  **Borrowers**

Whether you're a student, parent, or borrower, you'll need to create your own account to complete federal student aid tasks.

### What You Can Use Your Account For

- Filling out the *Free Application for Federal Student Aid (FAFSA®) form*

- Signing your *Master Promissory Note* (MPN)

- Applying for repayment plans

- Completing loan counseling

- Using the *Public Service Loan Forgiveness Help Tool*

### Items Needed to Create an Account

- Social Security number

- Your own mobile phone number and/or email address

- Students and at least one parent will want to create an FSA ID (if you have an SSN) to be able to sign the FAFSA electronically
  - Takes 3 days to create
  - Will be used in future years
  - Can manually complete PDF FAFSA.

# FAFSA Tips

- Remember: It is the Student's Application!
    - The student invites the parents to complete
    - The student will have a dashboard
- You can check application status on-line and add additional schools as a "Returning User"
- Help text for each question
- Virtual Assistant
- Free help available: 1-800-4-FED-AID

# Federal Tax Information Approval

- Participation is required for electronic form.
  - A FAFSA contributor must consent for the IRS to transfer data
- Reduces documents requested by the Financial Aid Office
- You won't be able to see the numbers that are being submitted… to protect your identity.

# Special Circumstances

Medical expenses not covered by insurance

Change in Employment Status or Income due to COVID-19

Unusual Expenses for other children, support for extended family

Change in Parent Marital Status
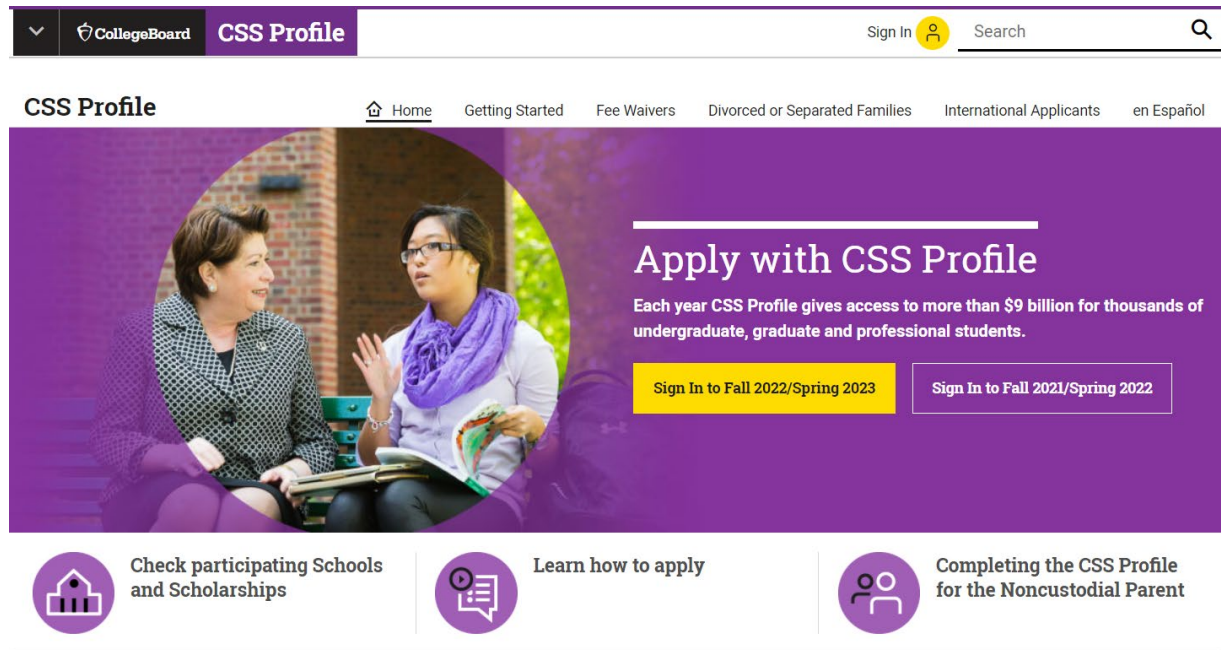
Non-discretionary expenses that affect your ability to pay for College

- Must report 2022 income on the FAFSA, both parents data on the FAFSA, etc.
- Contact the College your child is likely to attend.
- They may request additional documentation (2023 income for example).
- College's decisions cannot be appealed to the US Department of Education.

# CSS Profile Application

- Application for non-federal aid from the College Board
- Typically required by schools that are awarding large amounts of institutional aid
- [cssprofile.collegeboard.org](cssprofile.collegeboard.org)

# Helpful Web Sites

## Applications

- FAFSA.gov
- cssprofile.collegeboard.org
- Studentaid.gov
  - studentaid.gov/apply-for-aid/fafsa/filling-out
- CSAC.CA.gov
- Dream.CSAC.CA.gov
- Federal Student Aid YouTube Channel for videos about the application process, Loans, etc.

## Scholarship Search

- bigfuture.collegeboard.org
- Scholarships.com
- Goingmerry.com

## Statistics/Calculators

- BigFuture.org
- CollegeNavigator.gov
- MyInTuition.org

# Thank You!

TIME FOR QUESTIONS...