

COLLEGE COSTS:

A CALIFORNIA STUDENT GUIDE TO PAYING FOR COLLEGE

Are you concerned about paying for college? Do you think that attending your college of choice is financially out-of-reach? There are many resources available to help you pay for college.

This guide was written for you, the California high school senior. It was designed to provide you with quick and easy information about:

- ◆ College costs
- ◆ How your financial aid award will be determined
- ◆ Types of financial aid available
- ◆ What your financial aid award might look like

HOW TO PAY FOR COLLEGE:

FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA):

- ◆ To apply for federal, state and some college financial aid, complete the Free Application for Federal Student Aid (FAFSA).
- ◆ The FAFSA determines your eligibility for state and federal financial aid, and some college-sponsored aid.

HINT: To complete your FAFSA, you and your parents will need to sign up for your FAFSA "PIN." Go to www.pin.ed.gov. Your parent or guardian should help you fill out the FAFSA because it asks for information related to their previous calendar year income and current net value of assets. For more information:

- ◆ Visit the college or counseling office at your high school
- ◆ Contact the financial aid office at the college(s) to which you are applying
- ◆ Look on the Internet at www.fafsa.ed.gov

CAL GRANT GPA VERIFICATION FORM:

- ◆ Completing the Cal Grant GPA Verification Form helps the state determine your eligibility for need-based awards such as the Cal Grant.
- ◆ File a verified grade point average (GPA) with the California Student Aid Commission (CSAC) no later than March 2nd. If you are planning to attend a community college, file by September 2nd.
- ◆ Some high schools and colleges electronically file their students' verified GPAs with the Commission. Some do not. Confirm whether your school will file your GPA for you.
 - If not, obtain a GPA Verification Form, get it certified by a school official and mail it yourself. You only need a 2.0 GPA to qualify for a Cal Grant. Talk to the College Counselor at your high school for more information.

GRANTS:

Grants are available through the state and federal governments, as well as colleges and universities. They are typically awarded based on financial need, academic indicators such as your grade point average or course of study. *Unlike loans, grants are monetary awards that you do not pay back.*

*Grants and other financial aid are also available to students in foster care. See: www.chafee.csac.ca.gov.

SCHOLARSHIPS:

While scholarships generally cover only a small portion of the cost of attending college, they are a good source of aid because they do not have to be repaid. Scholarships are offered by organizations, including colleges and universities, government, businesses, and nonprofit organizations. They may be awarded based on academics, achievements, hobbies, talents, organizational affiliations, and career aspirations. Scholarship awards are typically sent to your college/university financial aid office; you may receive a “refund” check or credit on your campus account after all required campus expenses are paid.

IMPORTANT:

The National Association of Student Financial Aid Administrators estimates that thousands of Americans are conned out of millions of dollars each year during their search for scholarship money. To avoid being a victim of scholarship scams:

- Never pay a fee to apply for a scholarship or to use a scholarship search service.
- Never give a stranger your credit card or bank account numbers.
- Don't fall for "guarantees" or claims that someone has information you can't get anywhere else.

When you apply for scholarships, awards are never guaranteed. Legitimate scholarships will NEVER charge you money to apply for a scholarship. *For more information about how to avoid scholarship scams or to find out what to do if you have been scammed, see the information listed on the last page of this document.*

WORK-STUDY AND PART-TIME WORK:

From the student's perspective, a work-study award and a part-time job that is not work study are not very different. Work-study is another form of aid that students MAY be awarded to help pay for college based on information in their FAFSA. Work-study positions are limited to enrolled college students and may include employment opportunities on and off campus. The largest source of funding comes from the federal government, so you must file a FAFSA to be considered for a work study job. Only those students who demonstrate federal “need” may receive a work-study award; by contrast, part time jobs are available to most students.

Work-study and part-time jobs allow you to earn money to pay for the direct costs of going to school, like tuition, as well as indirect costs, like room and board and personal expenses and books.

LOANS:

Federal programs are the largest source of education loans. Private education loans are also available to provide supplemental funding when other financial aid does not cover costs, but private or alternative education loans are more expensive and should not be used unless and until all federal loan eligibility is exhausted. Loans need to be repaid, usually with interest.

- ◆ Before you receive a loan, you will be asked to complete a “Loan Promissory Note” at the college you will attend. Contact your financial aid office for more information about completing your Loan Promissory Note, as most are now on-line and are accessed with a Personal Identification Number (PIN).

Loan Promissory Note: A promissory note is a written promise to pay back a sum of money, to a specified individual, within a specified period of time. This note will set forth the terms and conditions of your agreement by indicating the repayment schedule, amount borrowed, interest rate, and contractual terms.

FINANCIAL AID - WHAT YOU NEED TO KNOW!

WHAT ELSE SHOULD I KNOW ABOUT APPLYING FOR FINANCIAL AID?

You are eligible to be considered for state and federal aid if you are a U.S. citizen or an 'eligible non-citizen.' If you have immigration paperwork in process, you may be eligible for aid once you establish legal permanent residency.

- ◆ You do not have to attend college full time to get financial aid.
- ◆ You will need to reapply for financial aid each year.
- ◆ Read all application instructions carefully. Don't be afraid to ask for help in completing the FAFSA, but go ahead and estimate answers about income and taxes when you don't have the final numbers available; once you make the important deadlines, you can correct information after the deadline without penalty.
- ◆ Completing the FAFSA is not difficult. Do not pay to have someone help you complete the FAFSA.
- ◆ Meet all deadlines and even submit forms early, if you can.
- ◆ Make copies of all financial aid paperwork that you submit. If anything gets lost, you want to have extra copies available.

HINT: List the CA school you are most likely to attend first, on your FAFSA application

WHAT HAPPENS AFTER I COMPLETE MY FAFSA/CAL GRANT GPA VERIFICATION FORM?

You will receive your Student Aid Report (SAR) in response to your FAFSA. Your SAR:

- ◆ Is a report of all of the information you provided in your FAFSA.
- ◆ Lets you know if you need to make any changes/additions to your FAFSA and informs you of your Estimated Family Contribution (EFC).
- ◆ Informs you of whether or not you are eligible for a Federal Pell Grant.
 - Students with EFC's ranging from \$0-\$4000 (approximately) are eligible for Federal Pell Grant of up to \$4731 for full time enrollment. EFC eligibility range may change annually and you should confirm it with your college's financial aid office.

You will receive your California Aid Report (CAR) in response to your Cal Grant GPA Verification Form and FAFSA. Your CAR:

- ◆ Informs you of your Cal Grant eligibility
 - You will receive your financial aid eligibility determination letter from each college to which you are admitted, after they have notified you of admission.

IMPORTANT:

There are several different loan programs. Some loans are "subsidized" which means they do not accrue interest until after you complete your college education. "Unsubsidized" loans begin to accrue interest while you are in college, and you must repay this principal and interest - and can be paid while in school or may be deferred. Both types of loans must be repaid after you complete your college education. More information about Federal Loan Programs is provided in the table, SAMPLE SOURCES OF AID AND AWARD AMOUNTS.

SAMPLE SOURCES OF AID AND AWARD AMOUNTS

		Type of Aid	Program Details	Annual Award Amounts
SOURCE OF AID	Federal Government	Federal Pell Grant	<ul style="list-style-type: none"> Available to undergraduates; all eligible students will receive the full Pell Grant amount they qualify for. If you make mistakes on your FAFSA, corrections must be made ASAP for you to receive a Pell Grant. Changes can be made electronically. 	\$400 to \$4,731 anticipated for 2008-09, depending on your EFC.
		Federal Supplemental Educational Opportunity Grant (FSEOG)	<ul style="list-style-type: none"> For undergraduates with exceptional financial need; priority is given to Pell Grant recipients; funds depend on availability at school. Every eligible student may not receive grant as it depends on need, amount of other aid, available funds at the school you are applying. Apply early! 	\$100 to \$4,000
		Academic Competitiveness Grant (ACG) National Science & Math Access to Retain Talent Grant (SMART)	<ul style="list-style-type: none"> For 1st & 2nd year undergraduates who are Federal Pell Grant recipients and completed a rigorous secondary school program. 3rd & 4th year undergraduates who are Pell Grant recipients may be eligible for a Nat'l SMART Grant if pursuing a major in physical, life, or computer sciences, mathematics, technology, engineering or a critical foreign language and have a minimum GPA of 3.0. 	Up to \$750 (1st year student) and \$1,300 (2nd year student) for ACG. Up to \$4,000 (3rd and 4th year students) for SMART.
		Federal Work Study	<ul style="list-style-type: none"> For undergraduate and graduate students; jobs can be on campus or off campus; students are paid at least the federal minimum wage. 	No annual minimum or maximum award amounts but cannot exceed "remaining federal need".
		Federal Perkins Loan	<ul style="list-style-type: none"> 5% simple interest loans for both undergraduate and graduate students; payment is owed to the school that made the loan. 	\$4,000 maximum for undergraduate students; \$6,000 maximum for graduate students; no minimum award amount.
		<i>Subsidized</i> Federal Family Education Loan (FFEL) or Direct Stafford Loan	<ul style="list-style-type: none"> If you're a regular student enrolled in an eligible program at least half time, you may receive a Federal FFEL or Direct Stafford loan. Subsidized: U.S. Department of Education pays interest while borrower is in school, during grace periods, as well as deferment periods. 	\$3,500 to \$20,500, depending on grade level, dependency status, and financial need.
		<i>Unsubsidized</i> FFEL or Direct Stafford Loan	<ul style="list-style-type: none"> If you're a regular student enrolled in an eligible program at least half time, you may receive a FFEL or Direct Stafford loan. Unsubsidized: Borrower is responsible for interest during life of loan; financial need not a requirement. 	\$3,500 to \$20,500, depending on grade level and dependency status (includes any subsidized amounts).
		FFEL or Direct <i>PLUS</i> Loan	<ul style="list-style-type: none"> Available to graduate students or parents of dependent undergraduate students enrolled at least half time. Applicants must demonstrate acceptable credit history (i.e., not delinquent or in default on any debt). 	Maximum amount is cost of attendance minus any other financial aid the student receives; no minimum award amount.
State Government (CA)	Cal Grant	<ul style="list-style-type: none"> Must be a US Citizen or eligible non-citizen and a CA resident when you completed high school. <p><u>Cal Grant A</u></p> <ul style="list-style-type: none"> To receive this award you must have at least a 3.0 GPA. Low-income students who qualify will receive aid for up to four years covering <i>tuition and fees</i> at a CSU, or UC, or some aid toward private CA campuses. <p><u>Cal Grant B</u></p> <ul style="list-style-type: none"> To receive this award you must have at least a 2.0 GPA. Low-income students who qualify will receive an allowance for books and living expenses as a 1st year student & varying assistance toward tuition in subsequent years. <p><u>Cal Grant C</u></p> <ul style="list-style-type: none"> To receive this award you must be enrolled in a qualifying vocational program at a CA Community College or vocational school. Award amount will vary. 	<p><u>Cal Grant A:</u> Awards up to \$2,772 (CSU), \$6,636 (UC), and \$9,708 (private CA universities) disbursed in 2007-2008, depending on financial need.</p> <p><u>Cal Grant B:</u> Up to \$1551 for books & living expenses for 2007-08 freshmen, amount varies in subsequent years.</p> <p><u>Cal Grant C:</u> Up to \$576 for books and tools in 2007-08; tuition up to \$2592 at a qualified non Community College.</p>	
		Board of Governors Fee-Waiver (BOGFW)	<ul style="list-style-type: none"> For low-income community college students Apply for FAFSA and submit BOGFW application to the financial aid office at the community college you will attend. 	Maximum amount is cost of fees.

COLLEGE COSTS BY SYSTEM TYPE, 2007-2008¹

(Source: www.californiacolleges.edu)

System Type	Fees/ Tuition ¹	Books/ Supplies	Room/ Board	Miscellaneous ³	Total
California State University	\$3,451	\$1,281	\$8,529	\$3,158	\$16,419
University of California (UC)	\$7,446	\$1,475	\$11,755	\$3,304	\$23,980
Private Universities	\$22,750	\$1,242	\$8,375	\$2,718	\$35,085
Community College	\$480	\$1,422	*	\$3,330	\$5,232 ²

¹ Based on costs for dependent student living on-campus.

² Total cost to attend community college minus cost for room and board.
(Source: www.californiacolleges.edu)

³ Includes clothing, laundry, and dry-cleaning, personal care, gifts, recreation, medical, etc.

* Few community colleges have on-campus housing. Actual cost varies based on a student's living situation.

HOW WILL FINANCIAL AID WORK FOR ME IF I PLAN TO ATTEND A:

COMMUNITY COLLEGE

- ◆ Students may be eligible for the Federal Pell Grant. Those with exceptional need may receive the Federal Supplemental Educational Opportunity Grant (FSEOG) .
- ◆ Community college students are eligible for the Cal Grant B and Board of Governors' Fee Waiver (BOGFW).
 - Students can receive up to \$5,500 per year in grant aid.
 - The BOGFW covers all student fees (i.e., \$20/unit x number of units; 12 units is full-time).
 - Undocumented students and students with immigration paperwork "in process" who attend community college may be eligible for the BOGFW. Students should ask at the school they will attend.
- ◆ Through the Federal Family Education Loan Program (FFELP) community college students may be eligible for Federal Stafford Loans (subsidized and unsubsidized), and Parent Loans to Undergraduate Students (PLUS).
 - Students with unmet need may borrow up to \$3,500 for their 1st year and \$4,500 for the 2nd year with a subsidized Stafford Loan.

UNIVERSITY OF CALIFORNIA OR CALIFORNIA STATE UNIVERSITY

- ◆ To evaluate your eligibility for financial aid, the UC and CSU systems look at the total cost of attendance - including registration fees and living expenses - and the contributions expected from you and your parents. If costs exceed your expected contributions, the University, as a partner in your education, looks to other resources to help you cover your educational expenses.
- ◆ Since you benefit most directly from the education you receive, the University expects you, the student, to help cover your costs. You can contribute by working part-time and taking out student loans at manageable levels. *Most students are eligible for federal parent and student*

educational loans.

- ◆ Most parents will be expected to contribute based on their finances as reported on the Free Application for Federal Student Aid, or FAFSA, due March 2nd. *For very low-income families, there may be no parent contribution required.*
- ◆ **UNIVERSITY OF CALIFORNIA** - offers admitted students grant support from among a variety of federal, state, and institutional sources so that, in combination with parent contribution (if any) based on the FAFSA data together with contributions from the student's own part-time work and manageable borrowing, all students admitted to the University have enough financial support to actually attend. The University of California has its own UC Grant and participates in all major grant programs, including the state's Cal Grant Programs and the Federal Grant Programs.
- ◆ **CALIFORNIA STATE UNIVERSITY** - offers the State University Grant (SUG) program, which provides need-based awards to eligible undergraduate and graduate/post-baccalaureate students who are California residents. Systemwide, the priority is to award a SUG at least equal to the amount of the State University Fee (\$2,772 for undergraduates, \$3,216 for students in teaching credential programs, and \$3,414 for graduate and post-baccalaureate students) to eligible students who apply for financial aid by March 2, who have an expected family contribution (EFC) of \$800 or less, and who are not receiving a Cal Grant or other award designated to cover fees. Each campus has established local awarding policies and priorities for these funds.

PRIVATE COLLEGE OR UNIVERSITY

- ◆ For more information, visit the website of the Association of Independent California Colleges and Universities (AICCU) at www.aiccu.org.
- ◆ Private colleges and universities offer a variety of grant, scholarship, employment, and loan opportunities from federal, state, private and college sources. Contact the individual college or university.

FOR HELP APPLYING FOR FINANCIAL AID REGARDLESS OF THE TYPE OF COLLEGE YOU PLAN TO ATTEND, YOU SHOULD:

- ◆ Talk to the college counselor at your high school.
- ◆ Talk to a financial aid representative at a local college.
- ◆ Attend a Cash for College workshop or other FAFSA/Cal Grant application workshop in your area. *See: <http://www.californiacashforcollege.org>*

NOW THAT YOU KNOW HOW MUCH IT WILL COST TO ATTEND YOUR COLLEGE OF CHOICE, YOU SHOULD BE AWARE THAT FINANCIAL AID WILL OFTEN COVER MUCH OF THESE COSTS. THE NEXT TABLE PROVIDES EXAMPLES OF POSSIBLE COLLEGE FINANCING PLANS THAT WILL HELP YOU TO UNDERSTAND WHAT YOUR FINANCIAL AID AWARD MIGHT LOOK LIKE.

TO ESTIMATE THE AMOUNT OF YOUR FINANCIAL AID AWARD AND FAMILY CONTRIBUTION FROM THE TABLE:

- ◆ Pick the **red** row for college system desired and note its *estimated Annual Cost* to attend.
- ◆ Pick the column for the **income** level closest to that of your parent(s).
- ◆ **Grant Aid** - estimate of grant aid you may receive based on your parents' income.
- ◆ **Remaining Costs** - estimate (less grant aid) that you/your parents will be responsible for paying.
- ◆ **Loan** - estimate of loan amount you may be offered.
- ◆ **Work-study** - estimate of work-study award you may be offered.
- ◆ **Student savings** - estimate of amount you will personally be expected to contribute.
- ◆ **Parent contribution** - remaining estimate of amount your parents will be expected to contribute.

California State University (CSU)
Total Estimated Annual Cost to Attend: \$17,500

For Parent Income:	\$20,000	\$40,000	\$60,000	\$80,000
Grant Aid	\$10,900	\$6,700	\$3,000	\$0
<i>Remaining Cost to Student/Parents</i>	\$6,600	\$10,800	\$14,500	\$17,500
Loans	\$3,500	\$3,500	\$5,000	\$3,500
Work-study	\$1,600	\$2,300	\$3,000	\$1,500
Student savings	\$1,500	\$1,500	\$1,500	\$1,500
Parent contribution	\$0	\$3,500	\$5,000	\$11,000

University of California (UC)
Total Estimated Annual Cost to Attend: \$24,000

For Parent Income:	\$20,000	\$40,000	\$60,000	\$80,000
Grant Aid	\$14,800	\$12,200	\$9,600	\$3,400
<i>Remaining Cost to Student/Parents</i>	\$9,100	\$11,800	\$14,400	\$20,600
Loans	\$4,200	\$4,200	\$4,200	\$4,200
Work-study	\$3,000	\$3,000	\$3,000	\$3,000
Student savings	\$2,000	\$2,000	\$2,000	\$2,000
Parent contribution	\$0	\$2,600	\$5,200	\$11,400

Private / Independent College
Total Estimated Annual Cost to Attend: \$35,300

For Parent Income:	\$20,000	\$40,000	\$60,000	\$80,000
Grant Aid	\$24,800	\$20,900	\$17,000	\$9,900
<i>Remaining Cost to Student/Parents</i>	\$10,500	\$14,400	\$18,300	\$23,400
Loans	\$7,000	\$7,000	\$9,000	\$9,000
Work-study	\$2,000	\$2,000	\$2,000	\$2,000
Student savings	\$1,500	\$1,500	\$1,500	\$1,500
Parent contribution	\$0	\$3,900	\$5,800	\$12,900

As the tables show, the types and amounts of financial aid you will be offered depend on your family's income and assets* and the cost to attend your college of choice. These examples are based on the college costs for a dependent student living on-campus. Your actual award will also vary depending on the size of your family. Additional information about possible financial aid awards for students with a family income of \$100,000+, who are married, live off-campus, are independent from their parents, are over age 25, or who have children can be found at: <http://www.californiacolleges.edu/finance/sample-financing-plans/sample-financing-plans.asp>

*assets: include cash & savings, plus the net worth of trust funds, stocks, bonds, mutual funds, real estate, and businesses or farm investments.

RESOURCES ON THE WEB

GENERAL FINANCIAL AID INFORMATION:

- <http://www.fafsa.ed.gov/index.htm>
- <http://www.collegeboard.com>
- <http://www.csac.ca.gov>
- <http://www.princetonreview.com/home.asp>
- <http://www.finaid.org>
- <http://www.savingforcollege.org>
- <http://www.californiacolleges.edu>
- <http://www.collegeparents.org>

LOAN INFORMATION:

- <http://projectonstudentdebt.org/>
- <http://www.edfund.org>
- <http://www.edwise.org>

SCHOLARSHIP INFORMATION:

- <http://www.fastweb.com>
- <http://www.finaid.org>
- <http://www.collegeboard.com>
- <http://www.latinocollegedollars.org/>

AVOID SCHOLARSHIP SCAM INFORMATION:

- Federal Trade Commission- www.ftc.gov/bep/conline/edcams/scholarships/index.html
- College Board- www.college.com/parents/pay/scholarships-aid/21400.html
- National Association of Student Financial Aid Administrators- www.nasfaa.org/redesign/ParentsStudents.htm
- Fastweb.com - go to: www.fastweb.com and click on the *Resources* tab, under Scholarships, click on *Scholarship Scams*.

FOR SPECIFIC INFORMATION ABOUT FEDERAL AID, GO TO:

- <http://studentaid.ed.gov/students/attachments/siteresources/StudentGuide.pdf>

FOR SPECIFIC INFORMATION ABOUT STATE AID, GO TO:

- http://www.csac.ca.gov/PUBS/FORMS/GRNT_FRM/I-2.PDF

FOR MORE INFORMATION ABOUT FINANCIAL AID FOR THE CALIFORNIA COLLEGE SYSTEMS, GO TO:

- <http://www.icanaffordcollege.com>
- <http://www.ucop.edu/>
- <http://www.csumentor.edu/>
- <http://www.aiccumentor.org/>

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