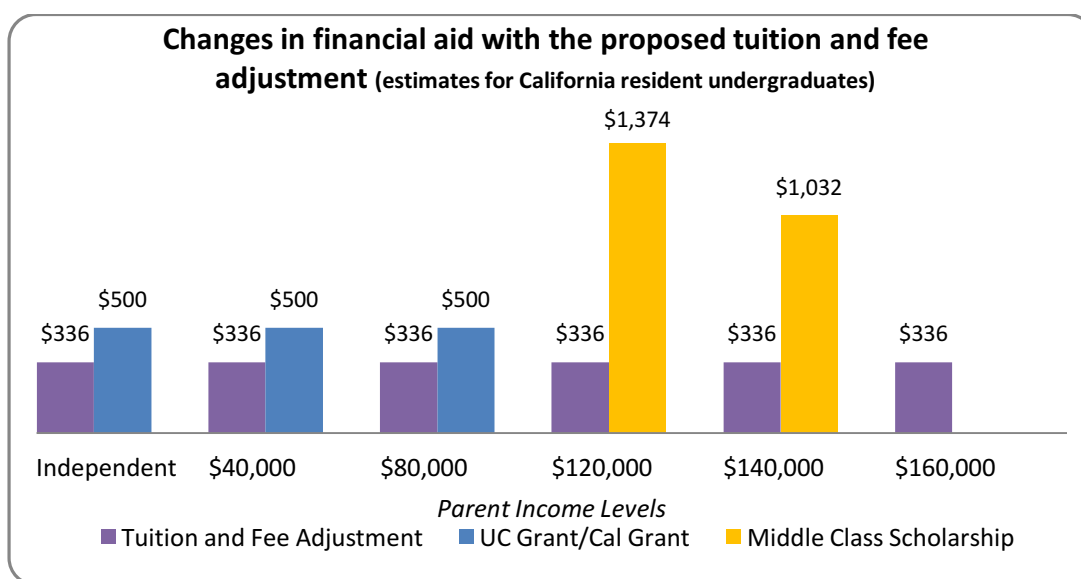


Estimated impact of a tuition adjustment on UC students and families and the role of financial aid

Financial aid helps students and their families cover the total cost of attending the University of California. That goes beyond tuition and fees. It includes help with housing, food, books and other educational expenses. Last year, UC undergraduates received more than \$540 million in UC, federal and state grants to help cover their cost of living while attending the university. This reduces the amount that students would otherwise have to borrow or earn through part-time jobs to finance their UC education.

One-third of all new tuition revenue is set aside to fund UC’s robust financial aid program. Because of this, California undergraduates who currently receive need-based grants will have any tuition adjustment completely covered. In fact, most of these students will see their financial aid awards rise by more than the amount of any increase. That’s because increases in tuition and the student services fee also increase the pool of funds available for financial aid. The chart below shows the effect that a tuition adjustment of \$282, and a student services fee adjustment of \$54, would have on typical UC families. Programs funded by the student services fee include student mental health services on campuses.



Why do undergraduates eligible for need-based financial aid receive additional aid that covers tuition adjustments and helps pay for other educational costs?

- Forty percent of California undergraduates receive Cal Grants, which automatically increase when tuition does.
- One-third of every dollar from a tuition adjustment is set aside for financial aid. If tuition rises, so does the pool of financial aid funds. This pool is enough to fully cover the tuition adjustment for an additional one-quarter of

students and allows the university to distribute even more aid to its students with the greatest financial need. Including the proposed adjustments, UC undergraduates will receive more than \$540 million next year, \$250 million of which is directly from UC, for expenses above and beyond tuition and fees such as housing, food, books and transportation. Nonresident students also contribute to UC's pool of financial aid funds, which supports California students.

Why do Middle Class Scholarship recipients have their tuition adjustment covered?

- Thanks to historic legislation aimed at making higher education more accessible, the Middle Class Scholarship program applies to undergraduate students with family incomes up to \$150,000.
- Middle Class Scholarship awards are a percentage of total tuition, which means the awards automatically cover a portion of any tuition adjustment.
- The program continues to be phased in from 75 percent implementation in 2016-17 to 100 percent implementation in 2017-18. Therefore, awards will increase for all recipients next year, regardless of tuition changes.