Total Cost of College: How To Optimize Your Student’s Financial Aid

**Presenter:**
Landy Gonzalez-Hernandez
Financial Wellness Coordinator
California State University, Stanislaus
Financial Aid

CSU’s State University Grant Program awarded more than $701 million to over 135,000 students.

84% of CSU students received financial aid

59% of CSU undergraduates paid $0 tuition

50% of CSU undergrads received a federal Pell Grant.
How to Apply for Aid: FAFSA/CADAA

https://fafsa.ed.gov/

https://caldreamact.org
Verification Process and Additional Documents

- Some students may need to submit additional documents:
  - Tax Documents/IRS documents
  - Household Verification
  - US Citizen/Permanent Residency documents
  - Selective Service
- If students have an issues – they should contact their campus’ Financial Aid Office
Dependent or Independent?

- Were you born before January 1, 1998?
- Are you married or separated but not divorced?
- Will you be working toward a master’s or doctorate degree (such as M.A., MBA, M.D., J.D., Ph.D., Ed.D., etc.)?
- Do you have children who receive more than half of their support from you?
- Do you have dependents (other than children or a spouse) who live with you and receive more than half of their support from you?
- Are you currently serving on active duty in the U.S. armed forces for purposes other than training?
- Are you a veteran of the U.S. armed forces?
- At any time since you turned age 13, were both of your parents deceased, were you in foster care, or were you a ward or dependent of the court?
- Are you an emancipated minor or are you in a legal guardianship as determined by a court?
- Are you an unaccompanied youth who is homeless or self-supporting and at risk of being homeless?
Estimated Family Contribution (EFC)

- When a student submits a Free Application for Federal Student Aid (FAFSA) or a CA Dream Act Application, the information generates an EFC.
- Based on financial and household size information on application provides an estimate of what the family can contribute/pay.
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CSU Tuition and Fees

- Tuition is set by the CSU Board of Trustees
- Fees will be charged as well
- Specific fees charged will vary by campus
- Many fees were voted in by alumni of campuses to ensure facilities for future students
- Fees support a service or facility

Current in-state tuition and fees for the CSU is among the lowest in the nation to comparative institutions.
Cost of Attendance

- Tuition/Fees
- Room/Board
- Books/Supplies
- Transportation
- Personal/Misc.

Cost of Attendance is also called a COA or a Budget. It combines all the costs referenced above.
<table>
<thead>
<tr>
<th></th>
<th>With Parents</th>
<th>On-Campus</th>
<th>Off-Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>State University Tuition Fees</td>
<td>$5,742</td>
<td>$5,742</td>
<td>$5,742</td>
</tr>
<tr>
<td>Campus Fees</td>
<td>$1,842</td>
<td>$1,842</td>
<td>$1,842</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>$1,160</td>
<td>$1,160</td>
<td>$1,160</td>
</tr>
<tr>
<td>Room and Board</td>
<td>$6,500</td>
<td>$11,724</td>
<td>$13,600</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,700</td>
<td>$1,094</td>
<td>$1,400</td>
</tr>
<tr>
<td>Personal/Misc.</td>
<td>$1,900</td>
<td>$2,058</td>
<td>$2,386</td>
</tr>
<tr>
<td>**Total</td>
<td><strong>$18,844</strong></td>
<td><strong>$23,620</strong></td>
<td><strong>$26,130</strong></td>
</tr>
</tbody>
</table>
Need

• A student’s financial aid award is based on their NEED. Typically, the higher the student’s need, the higher the financial aid award.

Cost of Attendance

– Estimated Family Contribution

= NEED
Where Does Financial Aid Come From?

Federal government
(No AB-540)
State government
Colleges and universities
Private agencies, companies, foundations, and your parents’ employers
Types of Financial Aid:
CSU State University Grant
Federal Grants
California Grants
(Cal Grants, Middle Class Scholarship)
Work Study
Scholarships
Loans

Types of Scholarships:
Campus Based Scholarships
Scholarships for incoming freshmen
Department Based Scholarships
Private Based Scholarships

Paying for College
### California State University – Sample, Estimated, Financial Aid Award, On Campus Cost of Attendance

<table>
<thead>
<tr>
<th>COA</th>
<th>-EFC</th>
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<tbody>
<tr>
<td>$23,620</td>
<td>0</td>
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### Financial Aid Award

<table>
<thead>
<tr>
<th>Financial Aid Award</th>
<th>Amount Awarded</th>
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<tbody>
<tr>
<td>Federal, State and State University Grant</td>
<td>$14,409</td>
</tr>
<tr>
<td>Student Loan</td>
<td>$5,500</td>
</tr>
<tr>
<td>Federal Work Study</td>
<td>$3,711</td>
</tr>
<tr>
<td>Total Aid</td>
<td>$23,620</td>
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**Estimated Net Cost To the student/family** $9,211
California State University – Sample, Estimated, Financial Aid Award, **On Campus**

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<td><strong>Total Grant Aid</strong></td>
<td>$14,409</td>
</tr>
<tr>
<td>Tuition/Fees &amp; On campus room and board</td>
<td>$19,308</td>
</tr>
<tr>
<td><strong>Total Grant Aid- Tuition/Fees and Housing Costs</strong></td>
<td>($4,899)</td>
</tr>
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- Students can use their loan, family contribution, or employment to pay the balance.
- The other costs are controlled by the student and can vary based on student choices.
California State University – Sample, Estimated, Financial Aid Award, w/Parents

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<tr>
<td>Cost of attendance</td>
<td>$18,844</td>
</tr>
<tr>
<td>Total Aid-Cost</td>
<td>($4,435)</td>
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- Combination of Federal Grants, Cal Grant/State University Grant will cover around $14,409
- Estimated net cost = $4,435
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<td>Total Aid</td>
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<tr>
<td>Tuition and Fees due to the university</td>
<td>$7,584</td>
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<tr>
<td>Amount to student after fees paid</td>
<td>$6,825</td>
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- Students will receive a refund of $6,825 from their financial aid award.
- They can use those funds to pay for books, living expenses, etc.
Special Circumstances and Income Appeals

- Dependency override
- Death or serious illness
- Loss/reduction of income
- Loss/reduction of benefits
Other Considerations

- Once a student/family understands the relationship between financial aid and costs they can evaluate other factors
  - Academic Programs and Quality
  - Campus Location
  - Student Involvement – Freshmen students that live on campus are likelier to join a club or organization and network with other students.
- Students shouldn’t allow finances to be the only determining factor when choosing their higher education pathway

Always consider opportunity costs!
Aid Has Limits

Use your Financial Aid wisely

✓ Speak to your major and financial aid advisors regularly and make a plan

✓ Financial Aid has unit caps and time limits

✓ Make a budget: some financial aid needs to be repaid. Use your refund wisely.

GRADUATE IN 4 YEARS BY TAKING 15 UNITS PER SEMESTER

NOTE:

The longer a student takes to graduate the more likely they are to accrue loan debt or pay more out of pocket
Maximum Time Frames on Financial Aid Programs

• **Federal Pell Grant** – 600%, 6 years full time
• **Cal Grant** – 4 years, full time
• **Subsidized Loan** – maintain their subsidy for 150% of the program.
  • If your program is 4 years, then you have 6 years to graduate before students lose the loan subsidy.
• **Satisfactory Academic Progress (SAP)** – students need to meet SAP in order to receive financial aid.
  • Timeframe – students need to finish within 150% of their program
  • Unit completion – students need to complete 67% of their attempted units
  • GPA
Graduation and Success

• Students should review the graduation and completion rates of the schools they are planning on attending.
• Students should create a success plan from the moment they start their college career. Depending on the school the student attends, success can be measured differently.
  • Graduation
    • Create a clear academic plan so that graduation can be achieved in 4 to 5 years
    • Take courses geared towards degree
    • Take advantage of academic advising
  • Transfer
  • Certificate of completion
• Opportunity Costs – what happens when a student doesn’t complete in a timely manner
  • Additional costs (tuition, fees, etc.)
  • Delayed employment – students lose time in their career field and losing opportunity for income.
Questions???