



## **University of California University Student Aid Program Administrative Guidelines**

**November 2000**

The University Student Aid Program (USAP) is the University's need-based student financial assistance program. It was created to promote access for students who without such assistance would be unable to obtain an education at the University of California. The University Student Aid Program is primarily used to provide students with need-based grants. USAP may also be used for loans and work-study awards.

### Funding and Allocation of University Student Aid Program Funds

1. The University's policy is to annually add one-third of new systemwide fee and workload increase revenue to the USAP.
2. The source of funds for the USAP is Educational Fee and Special State General funds.
3. The University Student Aid Program allocation consists of separate allocations for undergraduate and graduate academic/ professional degree/ postbaccalaureate students.

#### a. Funding for Undergraduate Students

New funds for undergraduate students will be based on the estimated undergraduate systemwide fee increase revenue and estimated systemwide fee revenue from undergraduate enrollment growth.

#### b. Allocation of Undergraduate University Student Aid Program Funds

The undergraduate University Student Aid Program allocation is based on the relative financial need of students at the campuses. The methodology for calculating relative need is being changed from one that used Pell Grant awards as a proxy for relative need to the Education Financing Model (EFM) methodology, which takes student expenses, parental contributions, federal and state grant aid, and self-help expectations into account to measure the relative need. In 1999-00, 60% of

the undergraduate USAP allocation will be based on the EFM methodology, and 40% on the former Pell methodology. The EFM allocation methodology will be fully phased in by 2001-02.

c. Funding for Graduate, Professional Degree, and Postbaccalaureate Students

New funds for graduate, professional degree, and postbaccalaureate students will be based on the estimated systemwide graduate, professional degree, and postbaccalaureate fee increase revenue and estimated systemwide fee revenue from enrollment growth.

d. Allocation of Graduate, Professional Degree, and Postbaccalaureate University Student Aid Program Funds

The graduate, professional degree, and postbaccalaureate USAP allocations are based on each campus's proportionate share of total graduate, professional degree, and postbaccalaureate headcount enrollments.

e. Firewall

USAP funds allocated for undergraduate students must be used for need-based undergraduate student support. USAP funds allocated for graduate, professional degree, and postbaccalaureate students must be used for need-based graduate, professional degree, and postbaccalaureate student support.

### Use of University Student Aid Program Funds

1. USAP funds may only be awarded to students who are currently enrolled at the University of California during regular academic year terms (Fall, Winter, Spring). The single exception is that USAP may continue to be used to support Summer Bridge students under the following two conditions:
  - a. The USAP dollars used for Summer Bridge are to be awarded only to needy students who are enrolled in summer session (i.e., taking workload and/or academic credit units) and
  - b. The dollars may not exceed the actual USAP dollars the campus used for the Summer Bridge program in Summer 2000.

2. USAP funds may not be awarded to students who are enrolled in self-supporting programs.
3. University Student Aid Program funds are to be used primarily for need-based grants. USAP also may be used for loans or work-study awards. Awards from this program are to be made on the basis of financial need, as determined by the current federally approved need analysis methodology. If an alternate need analysis methodology is used, it must yield a result that is at least as stringent as the approved federal methodology.
4. University Student Aid Program funds are to be used only for standard allowable student expense budget items that directly support the student's attendance at the University as defined for the Education Financing Model, unless otherwise specified. These expenses include direct costs of attendance (i.e., tuition, fees, books and supplies), living, transportation, personal, and health care expenses, and computer hardware as defined in the recipient's student expense budget. USAP funds are not to be used for research awards covering additional costs of conducting research projects (e.g., the cost of equipment required to conduct the research, data analysis, research-related travel, etc.).
5. University Student Aid Program funds may not be used to fund undergraduate nonresident tuition. USAP funds may be used to cover nonresident tuition for graduate, professional degree, and postbaccalaureate students.
6. The undergraduate University Student Aid Program is to be used as a fund source for need-based programs in which the primary purpose is to provide access to enrolled students. To meet campus enrollment goals, campuses may implement USAP awarding strategies that result in differential loan and work expectations for targeted groups of students (e.g., first-year students, students from particular high schools, etc.) and may allocate USAP funding for campus need-based scholarship programs (e.g., Regents Scholarships) as long as:
  - a. the USAP fund sources will be awarded through the normal progression of grant funding established under the campus's packaging policy. A scholarship recipient with a USAP-funded award may not receive more USAP funding than a similarly situated student who does not have a scholarship award. A USAP recipient's remaining need may be reduced or eliminated by scholarship awards that do not utilize USAP as a fund source.

- b. the implication of such allocations on the loan and work expectations of all students is analyzed and reviewed as part of the development of overall campus aid policies implementing the Education Finance Model,
- c. the allocations do not replace the Regents Scholarship funds included in the campus base budgets as of 1997-98, when the Regents Scholarship program was decentralized.
- d. the allocations are not used to meet the private funding campuses are expected to raise for the Partnership Opportunity Scholarship Program (POSP) pursuant to the POSP guidelines issued on March 11, 1999, and
- e. the allocations are not used to meet the equivalent of a one-third return-to-aid expected from professional degree fee revenue.

Campuses are encouraged to develop and use their own resources (e.g., endowed scholarships and discretionary funds) to reduce or eliminate the expected loan and work contributions.

#### Carry Forwards

Up to 10% of the University Student Aid Program allocation may be carried forward to the following year. The 10% carry forward amount is calculated separately for the undergraduate and graduate/professional degree/postbaccalaureate allocations. In the year subsequent to the allocation year, the funds carried forward must be spent in the undergraduate or graduate/professional degree/postbaccalaureate program from which they originated.

Although the carry forward limit is calculated on the entire University Student Aid Program allocation, the fund source used for the carry forward must be Educational Fee funds. State General Funds may not be carried forward.

#### Effective Date

These guidelines are effective beginning with the Fall term of the 2001-02 academic year. However, because of the planning schedule for the President's Undergraduate Fellowship (PUF) at some campuses, guidelines regarding the funding of PUF will go into effect in the Fall term of the 2002-03 academic year.