**FINANCIAL AID INFORMATION FOR THE CLASS OF ‘15**

# MIDDLE-CLASS SCHOLARSHIPS

The State of California offers a new tuition-assistance program for students who attend any campus of the University of California (UC) or the California State University (CSU). The program is for those students whose federal, state and institutionally administered grants cover less than 40% of tuition at UC or CSU, including students who receive no grants. Eligibility is determined by simple income level, not by the more sensitive need-based evaluation of family finances used for all other major financial aid programs. The Cal Grant asset ceiling does not apply.

To qualify in 2015-16 a student must:

* File a FAFSA by March 2, 2015 (see AB 540 note below);
* Be a new, transfer or continuing student at UC or CSU, enrolled at least ½ time in a first undergraduate BA or teacher preparation program;
* Have from 0% to 40% of tuition covered by federal, state and institutionally administered grants;
* Be a California resident (see AB 540 note below); and
* Have total 2014 income below $150,000 (parent and student income for ‘dependent’ students, student income or student plus spouse income for ‘independent’ students).

AB 540 students must meet the same criteria as above, except:

* AB 540 students who do not have legal immigration status must complete the California Dream Act Application by March 2, 2015.
* AB 540 students who are US citizens or permanent residents (but residents of other states) must file the FAFSA by March 2, 2015.
* AB 540 students are exempt from the California residency requirement.

The new law does not require a student to file a GPA Verification, but it is a great idea for students who are seniors in high school, in their first year out of high school, or transferring to UC or CSU from a community college. A student is considered for an Entitlement Cal Grant if the GPA Verification is sent by March 2, 2015. UC and CSU students eligible for these Cal Grants receive significantly more money than recipients of Middle-Class Scholarships; AB 540 students are eligible to be considered for these Cal Grant.

Students eligible for a Middle-Class Scholarship will have a portion of their tuition covered by grant assistance. For students and families with less than $100,000 total income, the maximum grant is 40% of tuition (when fully phased in over the next three years). That amount gradually declines as family income goes up to a maximum of $149,999. The Middle-Class Scholarship award is reduced by any federal, state or institutionally administered grant the student receives; awards to part-time students are prorated. Additionally the entire statewide pool of eligible students may have their awards reduced, depending upon the demand for the fixed appropriation of funds. 2015-16 grants should range between $90 and $2438.

*Information on this handout may be superseded by changes in federal or state law or regulation.*

*This handout has no legal status; it is offered for informational purposes only, reflecting current understanding of a new program.*

*Mary Gill, October 2014*