

**JOHN  
BURTON**  
ADVOCATES FOR YOUTH

[www.jbaforyouth.org](http://www.jbaforyouth.org)

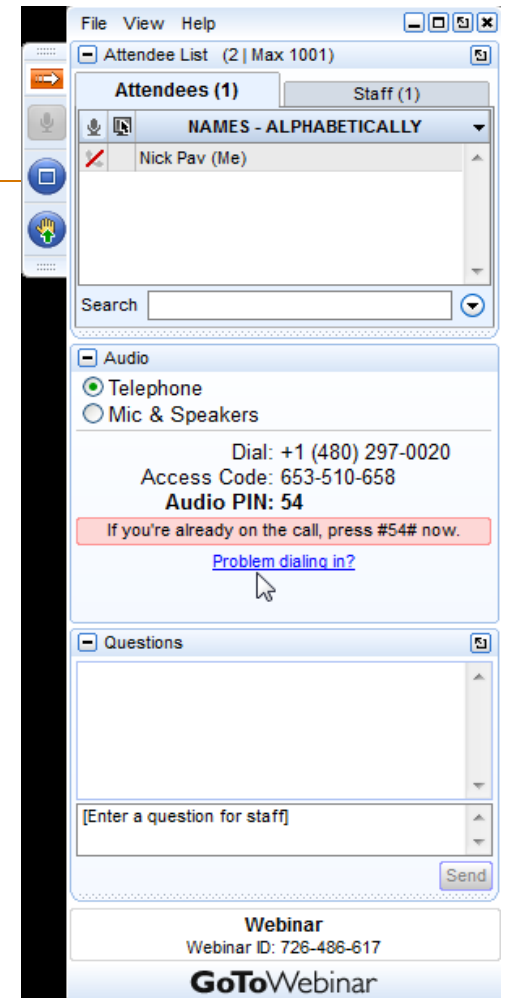
# FOSTER YOUTH & FINANCIAL AID, PART 2:

After the FAFSA

April 13, 2017

# Information to Participate

- Call-in information
  - Phone number: (702) 489-0008
  - Access code: 928-441-384
- To submit live questions, click on the “Questions” panel, type your question, and click “send”
- Presentation materials and audio will be posted at [www.jbaforyouth.org](http://www.jbaforyouth.org)



# Today's Presenters

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- **Yvonne Borrego**, Senior Counselor Outreach Specialist  
University of California, San Diego
- **Ernesto Nery**, Financial Aid Supervisor  
Merritt College
- **Simone Tureck**, Associate Policy Director  
John Burton Advocates for Youth

# Financial Aid Makes the Difference

Parental income, savings and is a *greatest single source of funding* used by students to pay for college, and exceeds all other sources, including grants, scholarships and student income and student savings.



Foster youth are missing this key source of financial support

Youth who access financial aid have better post-secondary educational outcomes:

- A 2014 study found that students who receive grants and scholarships are more likely to earn a bachelor's degree than otherwise similar students.
- Students who receive the Chafee Education & Training Voucher (ETV) are 52% more likely to complete 3 or more semesters of community college.
- Receipt of the Chafee ETV also increases the rate of course completion and the likelihood that the student has a 2.0 GPA or higher.

# Are foster youth accessing financial aid?

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A 2009 study<sup>1</sup> found that:

only 4% of foster youth college applicants receive all three forms of aid: the Pell Grant, the Cal Grant and the Chafee Education & Training Voucher (ETV)

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A 2015 study<sup>2</sup> found that of foster youth in college in California:

more than 80% received the BOG fee waiver

only about half received a Pell Grant

fewer than 10% received a Cal Grant

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The CalYOUTH Study<sup>3</sup> found that:

fewer than 1 in 3 foster youth interviewed who had completed high school had received a Chafee ETV

53% of those currently or formerly enrolled in college had received a Chafee ETV

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<sup>1</sup> [http://www.cacollegepathways.org/wp-content/uploads/2016/01/9.hopes\\_and\\_hurdles.pdf](http://www.cacollegepathways.org/wp-content/uploads/2016/01/9.hopes_and_hurdles.pdf)

<sup>2</sup> [http://www.cacollegepathways.org/wp-content/uploads/2016/01/charting\\_the\\_course\\_final.pdf](http://www.cacollegepathways.org/wp-content/uploads/2016/01/charting_the_course_final.pdf)

<sup>3</sup> [http://www.chapinhall.org/sites/default/files/CY\\_YT\\_RE0516\\_1.pdf](http://www.chapinhall.org/sites/default/files/CY_YT_RE0516_1.pdf)

# Why aren't foster youth receiving financial aid?

Some foster youth don't apply for financial aid by the March 2<sup>nd</sup> priority deadline.

- FAFSA is "daunting, confusing and difficult to complete"
- Lack of awareness of independent status for financial aid
- Lack of awareness of the March 2<sup>nd</sup> priority deadline

Some foster youth don't receive certain types of financial aid due to lack of eligibility.

- Foster youth who take more than a year off between high school or earning a GED and college are not eligible for an entitlement Cal Grant.
- GPA requirements can weed out a significant proportion of foster youth

Some foster youth don't receive certain types of financial aid due to administrative barriers, post-FAFSA submission.

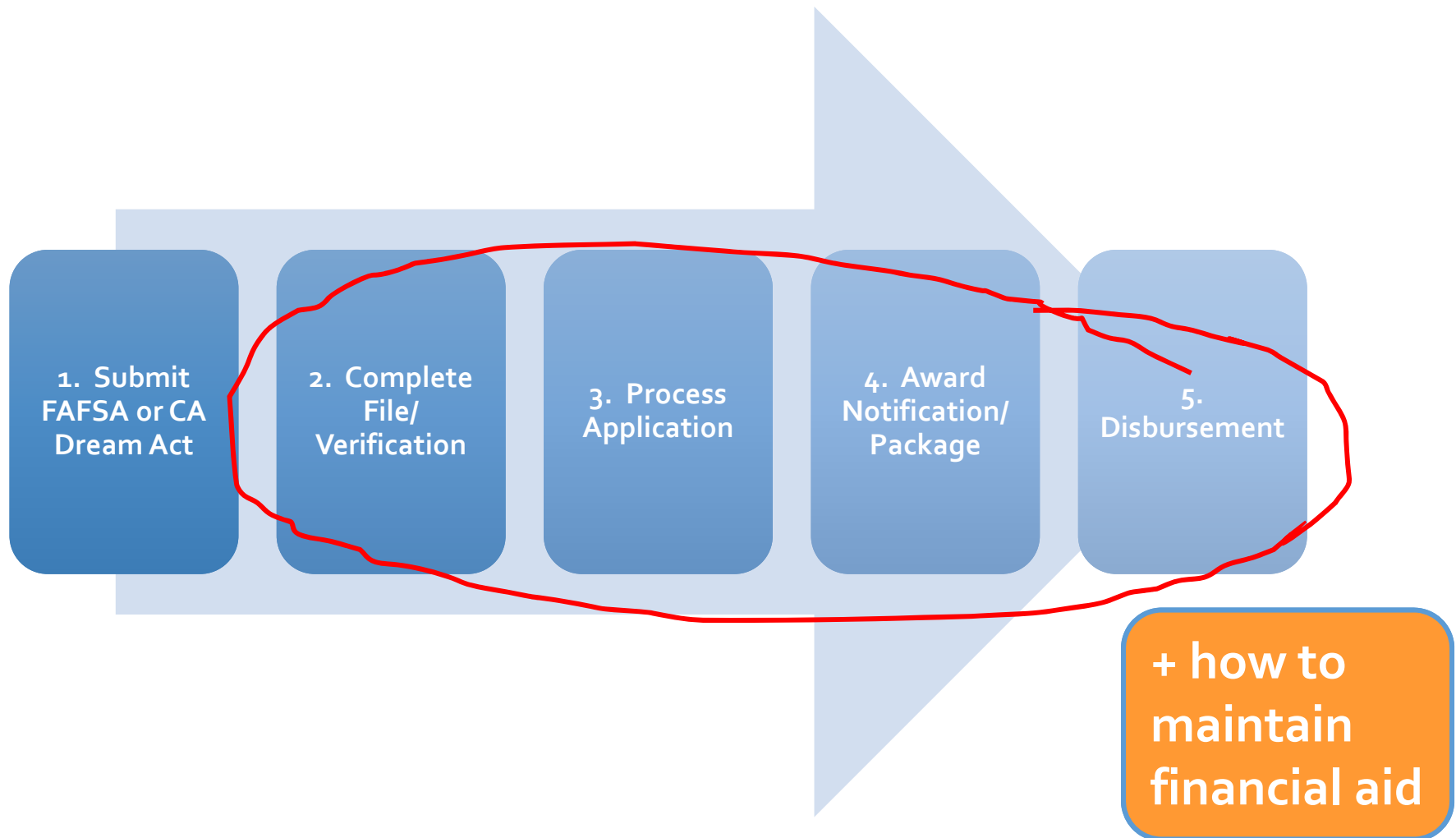
- May need to provide verification - confusion or lack of awareness about the verification process
- Other procedural hurdles - enrollment, GPA and identification checks

Some foster youth lose their financial aid after receiving it

- Failure to maintain Satisfactory Academic Progress (SAP)
- Pell Grant overpayment from dropping classes

# The Financial Aid Process

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# Part 1 Webinar on Completing the FAFSA (10/13/16)

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- **Importance of the March 2<sup>nd</sup> deadline:**
  - File the Free Application for Federal Student Aid (FAFSA) or CA Dream Act application
  - Submit Cal Grant GPA verification
  - Submit Chafee application
  - Must reapply every academic year
- **Indicate foster care history to qualify as an independent student on FAFSA**
- ***Much more!* If you missed it, view at [www.jbaforyouth.org](http://www.jbaforyouth.org) under Training Archive**



## 2. Complete File/Verification



**Examples of what is required to complete the file & verify:**

### Reject codes:

- issued when key pieces of info needed to determine aid eligibility are missing or contradictory

### Verification:

- 2 types of verification: 30% of all students flagged for a general verification, PLUS all foster youth must submit verification of foster youth status

**Notified via Student Aid Report & student portal**

### Extra documentation:

- Some colleges collect documents not required by federal gov't (i.e. student surveys, signed acknowledgements of aid eligibility requirements, copies of drivers' licenses, etc.)

### Eligibility checks:

- colleges confirm all students who receive aid are registered for classes, are in a program eligible for aid, and that continuing students are making satisfactory progress toward a degree

# More on Verification

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Current and former foster youth will need to provide financial aid office with ***foster youth verification letter***

Current foster youth  
Contact county child welfare agency or probation office that currently serves them to request letter



Contact Independent Living Skills Program Coordinator or social worker or probation officer

Former foster youth  
Contact county *OR* California Department of Social Services to request letter



Foster Care Ombudsman's Office:  
877-846-1602 OR  
Foster Care Support Services Bureau:  
916-651-7465

# Sample Foster Youth Verification Letter from CDSS



STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY  
**DEPARTMENT OF SOCIAL SERVICES**  
744 P Street • Sacramento, CA 95814 • [www.cdss.ca.gov](http://www.cdss.ca.gov)



EDMUND G. BROWN JR.  
GOVERNOR

## Foster Care Verification

**RE:** Name of Former Foster Youth  
**DOB:** MM/DD/YYYY  
**Dates the individual entered and exited foster care:** MM/DD/YYYY to MM/DD/YYYY<sup>1</sup>

A review of the statewide database indicates that the above referenced individual was in foster care until MM/DD/YYYY, when the individual was XX years old.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

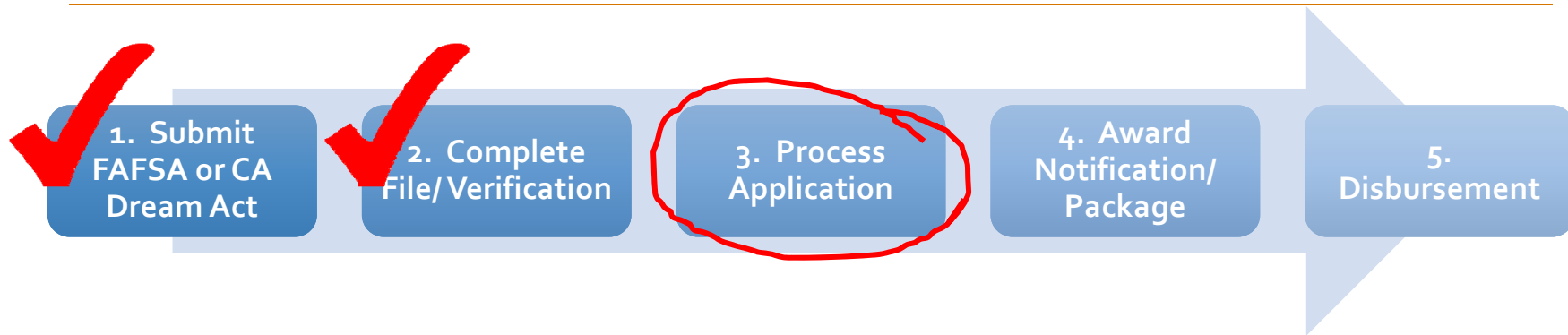
For additional resources or information about services for former foster youth, please contact the California Foster Care Ombudsman's Office at 1-877-846-1602 or [fosteryouthhelp@dss.ca.gov](mailto:fosteryouthhelp@dss.ca.gov), or the child welfare department in County Name County, at (XXX) XXX-XXXX.

*This letter serves as verification that the above referenced individual was in foster care for the time period identified above and, assuming all other eligibility criteria are met, may qualify for programs, services or benefits for which eligibility is based, in whole or in part, on being in foster care. Such programs, benefits or services include, but are not limited to:*

- *Independent status on the Free Application for Federal Student Aid (FAFSA).*
- *Cooperating Agencies Foster Youth Educational Support (CAFYES) Program (if all other eligibility criteria are met)*
- *Extended Medi-Cal to age 26*
- *Priority registration at a California post-secondary institution.*
- *Priority on-campus housing as described in Sections 76010, 90001.5 and 92660 of the California Education code.*
- *Preference for internships and student assistant positions within State agencies as specified in California Government code section 18220.*

<sup>1</sup> If the individual experienced multiple episodes in foster care, the dates listed refer to the most recent episode.

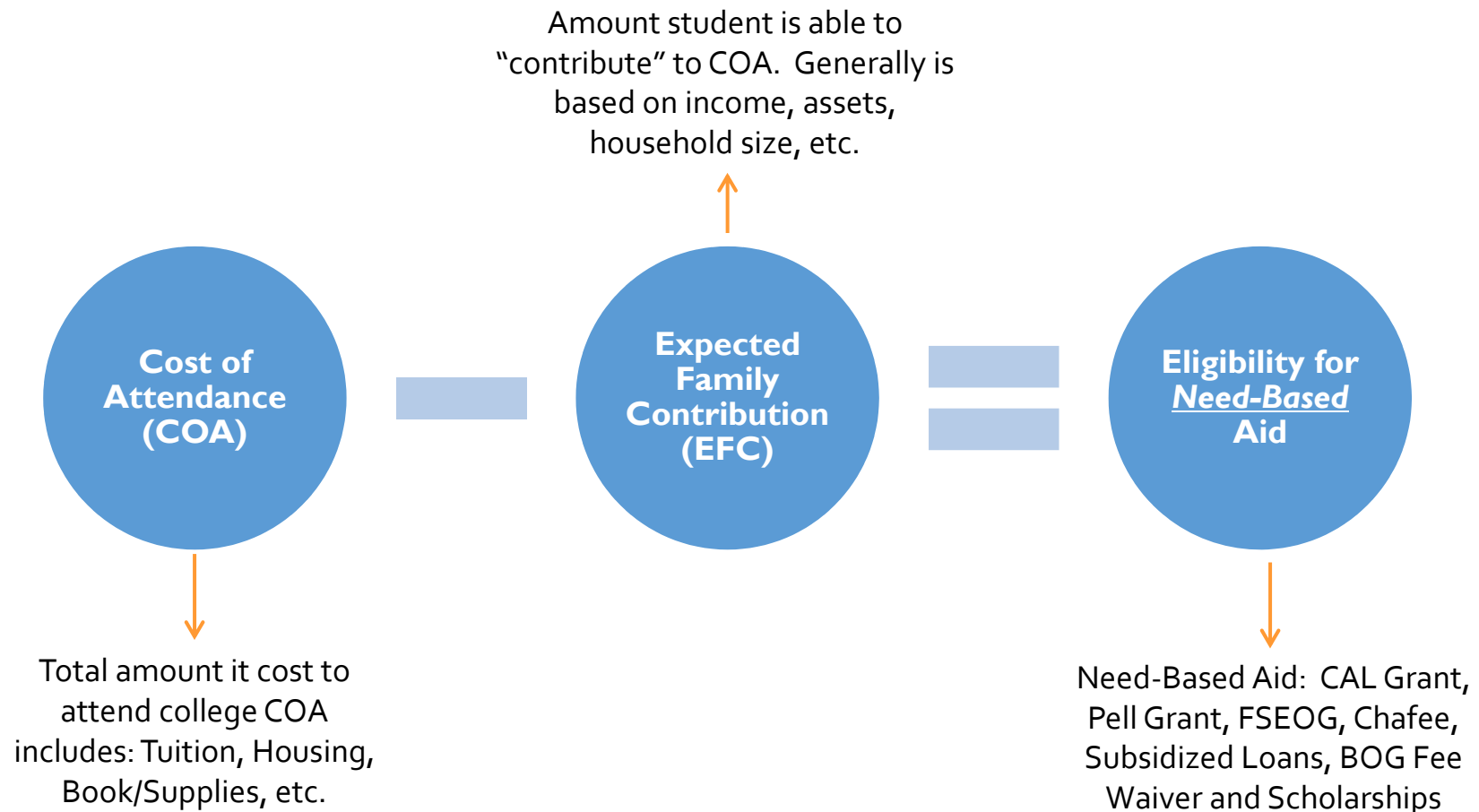
### 3. Process Application



Processing application (determining eligibility) can take 4-6 weeks, so apply early.

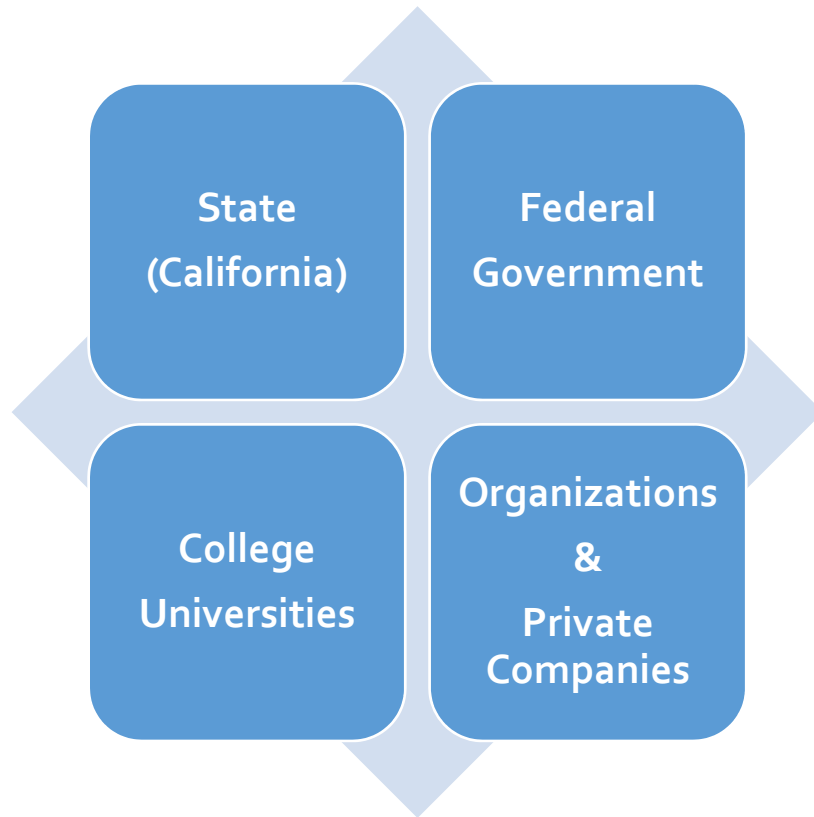
# Refresher: Definition of Need

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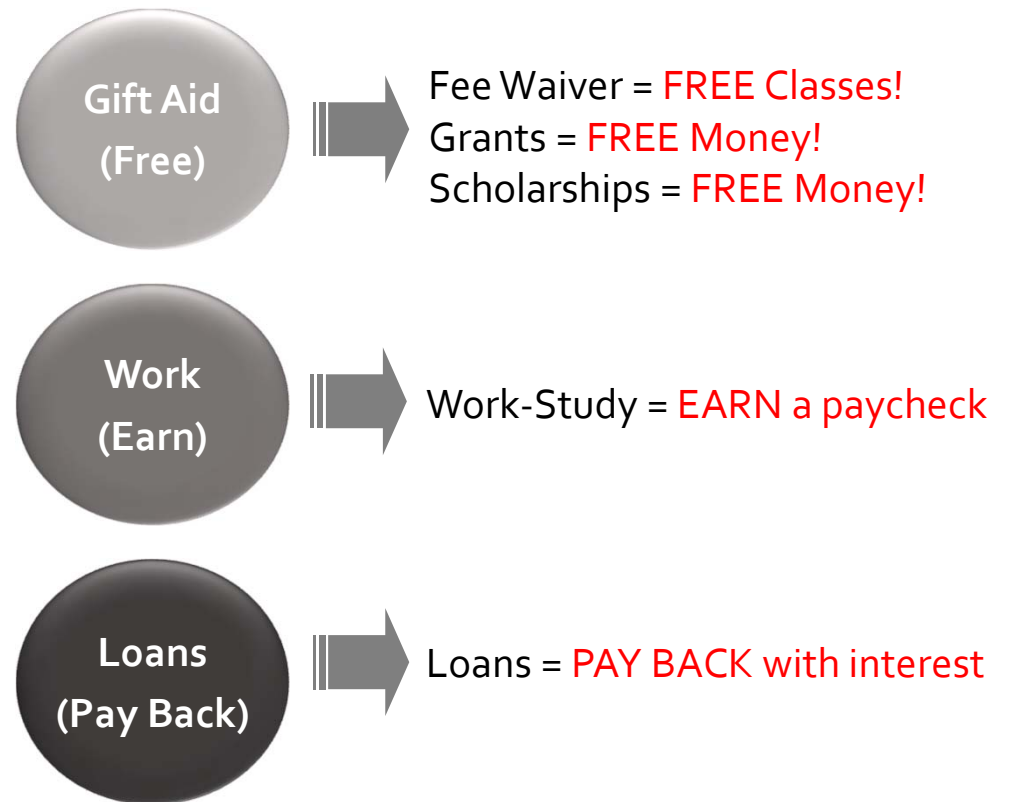


# Refresher: Sources & Types of Aid

## Where \$ Comes From



## Free – Earn – Pay Back



# Refresher: Types of Aid – For Tuition

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Name of Grants	Covers Tuition
Cal Grant A	Up to \$5,472 at CSU Up to \$12,240 at UC Up to \$9,084 at Private (non-profit) Up to \$4,000 at Private (for-profit)
State University Grant	Covers full system-wide tuition at CSU
UC Grant	Covers full system-wide tuition at UC
CCC Board of Governors Fee Waiver	Waives tuition cost = free classes at CCC

All grants above pay **tuition only**.  
You can only get **one** of the above listed grants.

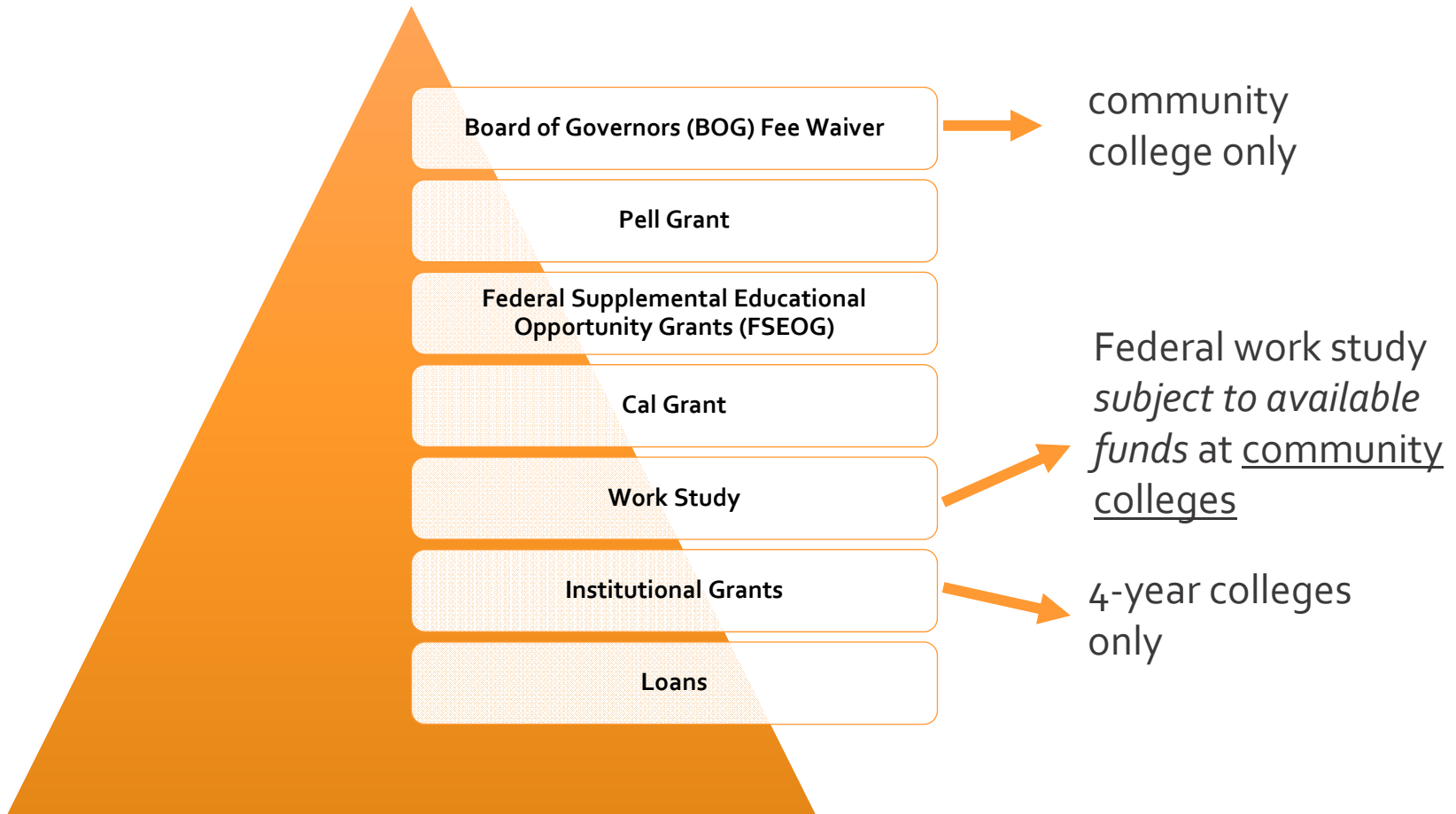
# Refresher: Types of Aid – Cash

Name of Grants	Amount
Pell Grant	Up to \$5,815 – Lifetime Eligibility 600% Max
Chafee Education & Training Voucher (ETV)	Up to \$5,000 – for current & former foster youth
Federal SEOG	Varies – Priority to Pell eligible students
Cal Grant B Access	\$1,670 + \$600 at CCC for attending full-time
Cal Grant C	Up to \$547 at CCC Up to \$2,462 at Vocational/Trade
Institutional Grant	Varies
Federal Work-Study	On/Off-campus employment (Earn a paycheck)
Direct Student Loans	Subsidized: \$3,500 - \$4,500 (Need-based) Unsubsidized: Up to \$6,000



# How are Financial Aid Awards Packaged?

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# Sample: Typical Award Package - California Community College

*\$19,661 (COA) - \$0 (EFC) = \$19,661 (Need)*

Type of Aid	Fall	Spring	Total
BOG Fee Waiver (non-cash aid)	\$ 552.00	\$ 552.00	\$ 0.00
Cal Grant B (Access)	\$ 835.00	\$ 835.00	\$ 1,670.00
Cal Grant B (Full-time at CCC)	\$ 300.00	\$ 300.00	\$ 600.00
Federal Pell Grant	\$ 2,907.50	\$ 2,907.50	\$ 5,815.00
Federal SEOG Grant	\$ 200.00	\$ 200.00	\$ 400.00
Federal Work-Study Grant	\$ 2,000.00	\$ 2,000.00	\$ 4,000.00
Chafee Grant	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00
Total Aid (Need-Based)			\$ 17,485.00
<b>Amount to Student</b>			<b>\$ 17,485.00</b>

*If needed, student may request the below loans:*

Subsidized Loan: up to \$3,500/year  
 Un-subsidized Loan: up to \$6,000/year  
 Total: up to \$9,500/year



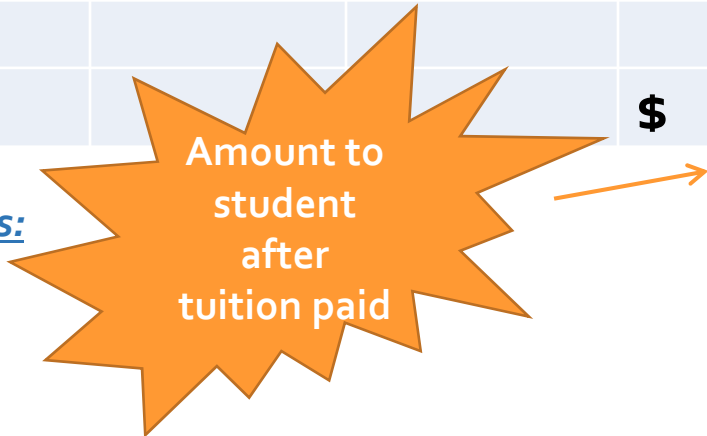
*\*\* This assumes student applies on-time by March 2<sup>nd</sup>, CA resident, and is at the freshman level.*

# Sample: Typical Award Package (CSU)

*example assumes student was not awarded Cal Grant A*

*\$25,232 (COA) - \$0 (EFC) = \$25,232 (Need)*

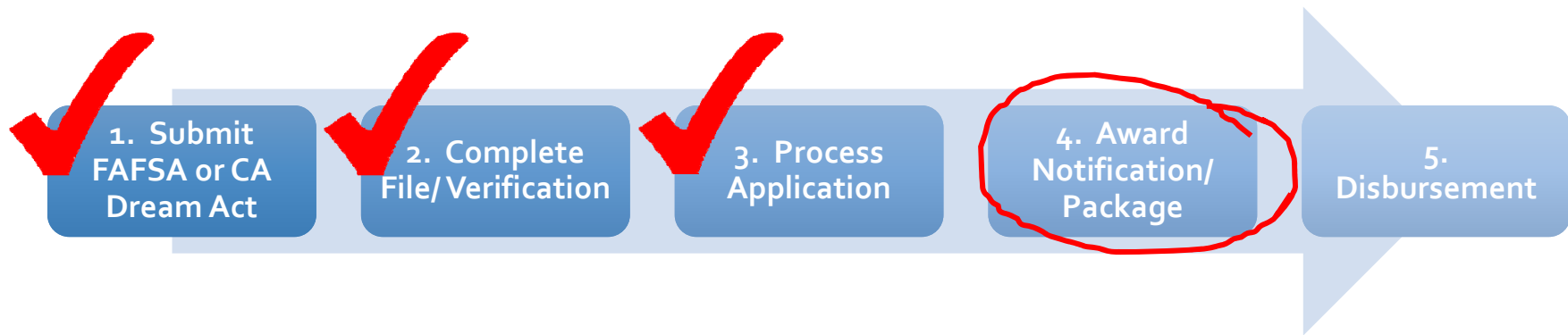
Type of Aid	Fall	Spring	Total
State University Grant (non-cash aid, covers tuition)	\$3,242.00	\$3,242.00	\$0.00
Cal Grant B	\$ 835.00	\$ 835.00	\$ 1,670.00
Federal Pell Grant	\$ 2,907.50	\$ 2,907.50	\$ 5,815.00
Federal SEOG Grant	\$ 200.00	\$ 200.00	\$ 400.00
Federal Work-Study Grant	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00
Chafee Grant	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00
Total Aid (Need-Based)			\$ 14,885.00
<b>Amount to Student</b>			<b>\$ 14,885.00</b>



*If needed, student may request the below loans:*

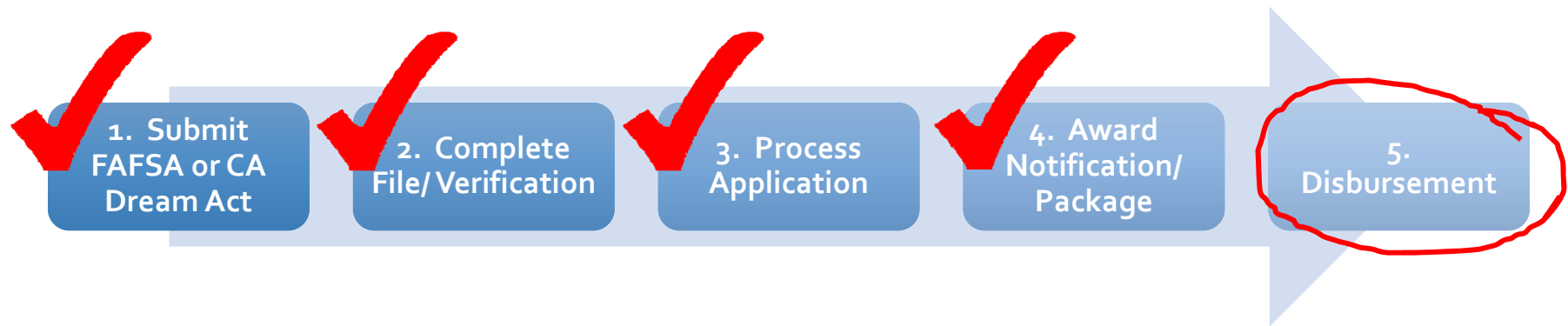
- Subsidized Loan: up to \$3,500/year
- Un-subsidized Loan: up to \$6,000/year
- Total: up to \$9,500/year

## 4. Award Notification/Package



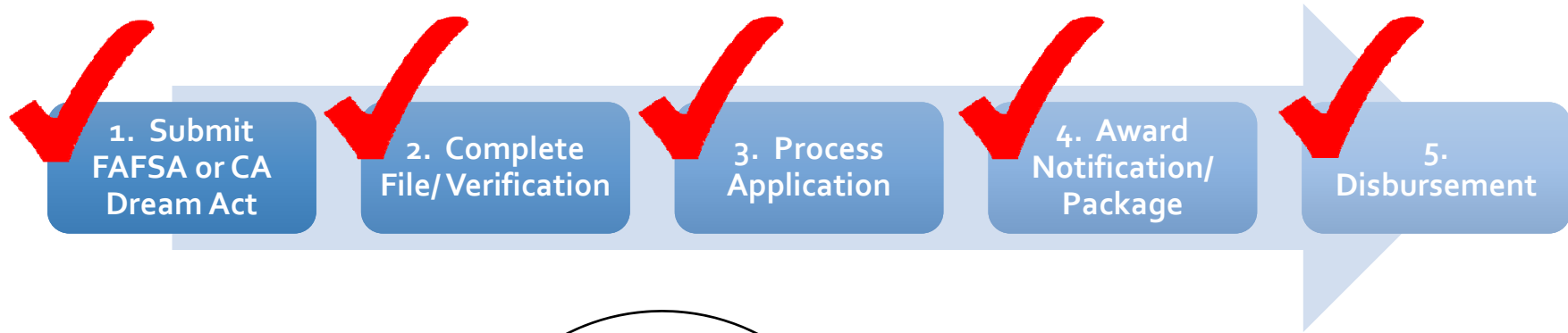
Student is notified of award by student portal, email or letter

# 5. Disbursement



Disbursement method varies depending on institution; generally direct deposit, pre-paid debit card or paper check.

# Now that the student has their financial aid, how do they keep it?



- **Maintain Satisfactory Academic Progress**
- **Prevent student debt**

# Coursework Alphabet Soup

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W = Withdrawal

I = Incomplete

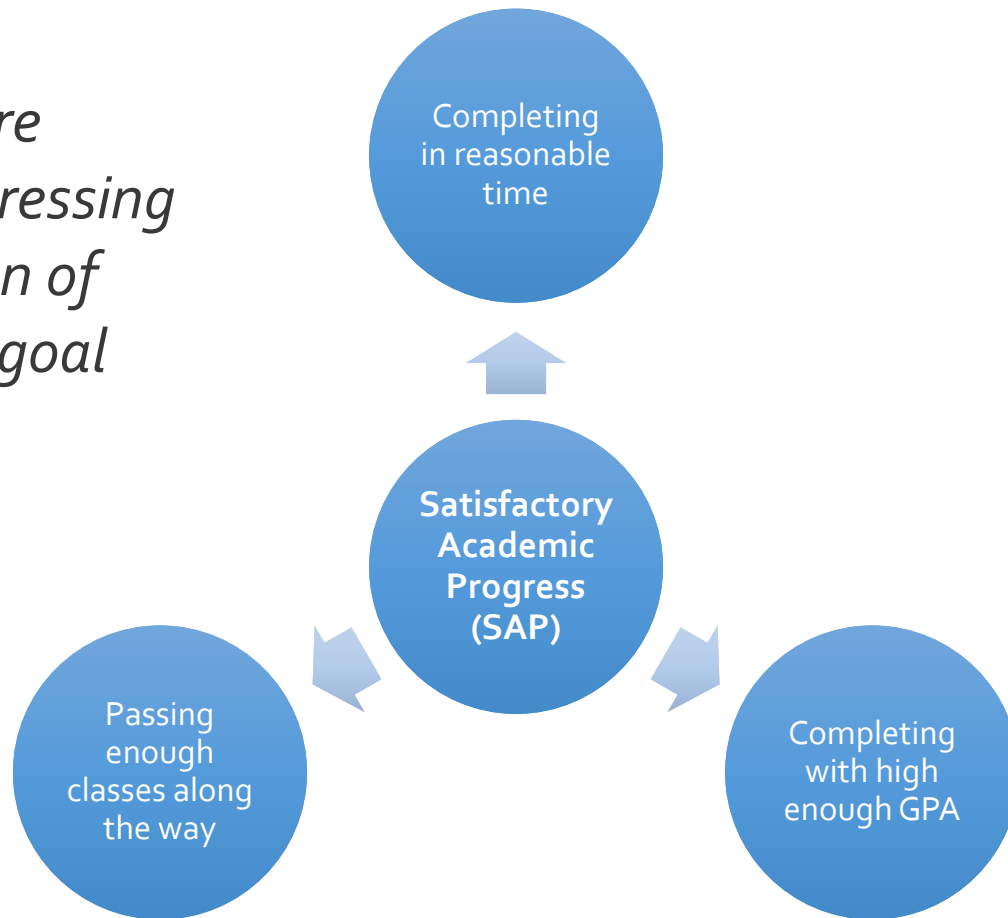
F = Fail

NP = Not pass

# Satisfactory Academic Progress (SAP)

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*Policy to make sure students are progressing toward completion of their educational goal*





# Delving into SAP

Maintaining minimum Grade Point Average (GPA)

Most schools require minimum 2.0 GPA

- Whether cumulative or by semester varies by institution

Completing educational goal in reasonable time

Students can receive financial aid for 150% of the units required to complete their program or degree

- i.e. If it takes 60 units to complete a program at a community college, the student can receive aid for up to 90 attempted units

Passing enough classes along the way

67% rate of completion

- i.e. If student gets too many F's or too many W's, it can affect their completion rate

# BOG Fee Waiver – New SAP Requirements

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**Board of Governors (BOG) Fee Waiver recipients must maintain:**

- 2.0 Grade Point Average (GPA)
- Greater than 50% Completion Rate (CR)

Academic progress assessed after conclusion of Fall and Spring semesters. If GPA or CR is lower than requirement, student placed on BOG Enrollment Fee Waiver Probation. Students expected to improve GPA and/or CR by next academic progress assessment.

If student has 2 consecutive semesters failing to meet the GPA/CR requirements, they're placed on BOG Fee Waiver Disqualification.

**HOWEVER...Foster youth and previous foster youth under age 25 are exempt from disqualification.**

# How does a student incur financial aid debt?

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School error

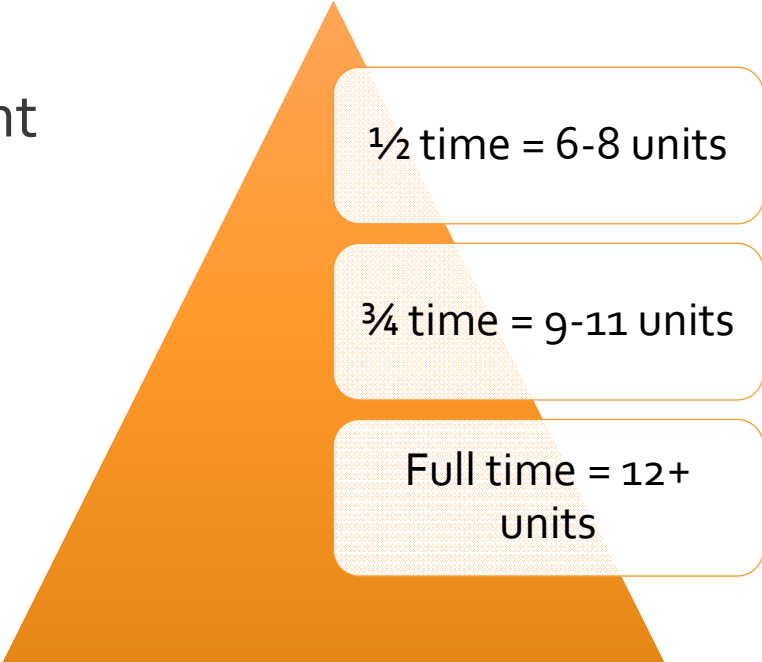
Student drops classes or withdraws

Changes to FAFSA data

# Financial Aid Overpayment – Understanding the Pell Grant

A student is *awarded* the Pell Grant based on the number of units they are enrolled in, but *earns* the Pell Grant based on the number of units they complete.

The Pell Grant is pro-rated based on course load:

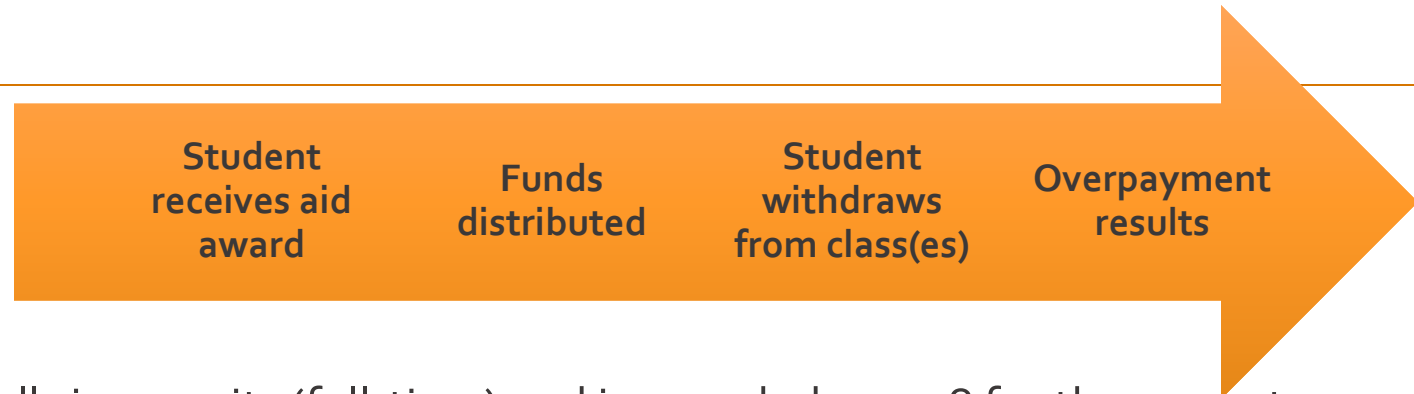


$\frac{1}{2}$  time = 6-8 units

$\frac{3}{4}$  time = 9-11 units

Full time = 12+ units

# How Overpayment Occurs



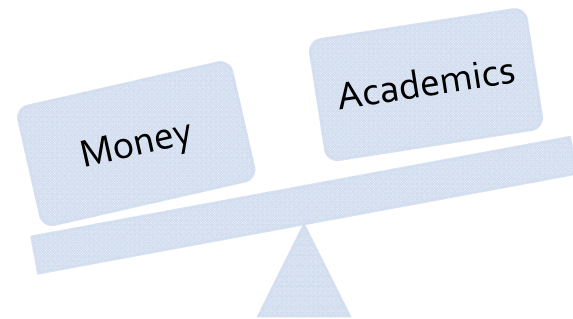
## Example:

- Julia enrolls in 12 units (full-time) and is awarded \$2,908 for the semester, attending a CSU.
- The school subtracts money for tuition and fees and disburses the remaining amount to her.
- Julia uses her disbursement to pay off some credit card debt.
- Julia realizes about halfway through the semester -- and after the drop deadline -- that she has taken on too much and decides to drop a class (4 units).
- Julia has now only earned  $\frac{3}{4}$  of her federal aid and needs to pay back about \$727, but she no longer has this money.
- The school puts a hold on her enrollment for the following semester.

# Circumstances Which May Not Lead to Debt:

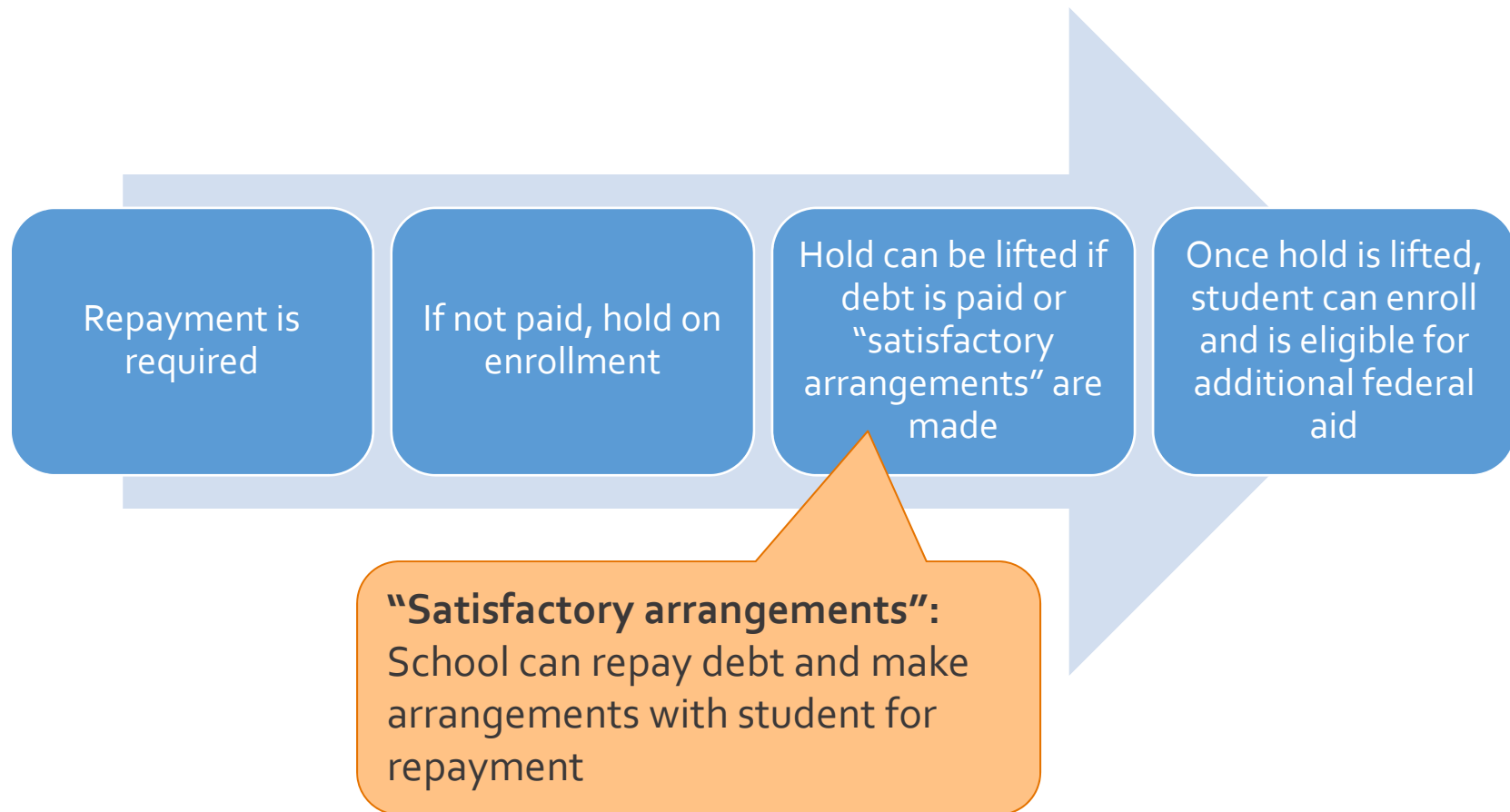
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- Reduction in 1-2 units under some circumstances
- Student receives an “incomplete”
- Full aid has not yet been paid
- 60% of course is completed even if an “F” is earned
- Other considerations:
  - Satisfactory Academic Progress
  - Impact on GPA and transfer requirements



# How do colleges handle financial aid debt?

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# Making Payment Arrangements

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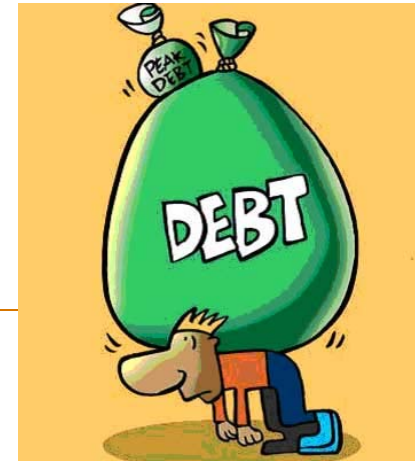
- Definition of “satisfactory arrangements” vary by school
- Most schools make arrangements directly
- Some refer the debt to US Department of Education
- Most schools willing to use future aid to pay off debt





# What if debt is not paid?

- Student cannot enroll in courses at that school
- Student cannot receive transcripts
- Reported to NSLDS
  - Limits ability to receive federal aid at any school
  - May be able to still receive non-federal aid
- Eventually transferred to Department of Education for collection
- Subject to long-term government debt collection
- *Even relatively small aid debt can derail a foster youth's academic career if unaddressed!*



# Preventing Student Debt: How to avoid overpayments

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- Educate foster youth to avoid debt in the first place
- Assist youth to work with academic counselor to ensure youth is registering for proper classes
- Counsel youth regarding decisions to drop or withdraw from classes and impact on financial aid
- Refer youth to meet with financial aid office **before** dropping classes or withdrawing



# Managing Debt

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- Support youth to meet with financial aid office
- Attend meetings with youth to assist with negotiations
- Schools have flexibility when making arrangements
- Help students find sources to assist with debt repayment



# How to Advocate for Youth & Help Them Advocates for Themselves

## Things to know before meeting

- Students have a right to see how debt was calculated and challenge calculation
- Repayment plan must be worked out to stay in school
- Try to get all decision-makers in room together
- Schools in general want the student to be able to continue
- Explore all possible sources of repayment

## Additional tips

- Encourage youth to register for classes to their skill level and be successful in classes – ensure they meet with a counselor for help with this
- Ensure youth understand consequences of dropping classes
- Support youth to address debt immediately
- Attend meetings with youth
- Bring in other supporters to design creative solutions
- Don't let foster youth give up!

# Question & Answer

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CLICK ON THE "QUESTIONS" PANEL, TYPE IT AND HIT "SEND"