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Summary of the Problem

California's foster care system has made important strides in the last five years for older youth in foster care, including expanded access to supported housing and increased support for young parents in foster care. One area where the child welfare system continues to struggle is post-secondary achievement among older youth. By age 26, just 4 percent of former foster youth have achieved a college degree as compared to 36 percent of the same-age population of young adults.

The research has identified a range of explanations for this low rate of post-secondary achievement, including high rates of disability, the negative effect of foster care placement changes and the fact foster youth disproportionately attend low-performing K to 12 schools. While these are important, an additional key factor is that foster youth disproportionately do not receive the financial aid to which they are entitled. A 2015 study of foster youth attending community college in California found that just 50% received the federal Pell Grant, even though upwards of 85% qualify.

There is considerable evidence that receipt of financial aid is a strong predictor of degree attainment among vulnerable students, namely current and former foster youth. Given this, the focus of the current legislative proposal is to improve post-secondary achievement among youth in foster care by increasing the rate of receipt of the financial aid. The proposal includes three provisions:

Provision 1: Clarify who is responsible for assisting foster youth in the application and financial aid

Historically, post-secondary education has not been within the purview of the child welfare system. This changed in 2010 with the historic passage of Assembly Bill 12 (Beall), which increased the upper age limit of foster care in California from 18 to 21. With this change, California's child welfare system became responsible for the health and well-being of young adults, referred to in California as Non-Minor Dependents (NMDs), of which there are 9,000 in California as of July 1, 2016.

While this change occurred legally, our child welfare system has failed to keep pace by ensuring that foster youth make a safe, supported transition from K- to 12 to post-secondary education. A key piece of the post-secondary education puzzle is ensuring that an application for federal financial aid is made in a timely, accurate manner. Currently, it is not stated in law, regulation or court rules who is responsible for assisting a foster youth in their application for financial aid, which has resulted in a lack of assistance for foster youth and the low rates of Pell grant receipt that have been measured in California. Under the current legislative proposal, every county child welfare agency would be required to clarify who in the life of the youth is responsible for conducting this critical activity. This information would be provided to all youth in foster care, age 16 and older on an annual basis.

Provision 2: Increase Pell receipts by automating financial aid verification.

A second key factor in foster youth losing eligibility is the campus-based verification process, which can be time-consuming and require information from foster youth that they do not readily have. As it currently works, youth complete the Free Application for Federal Financial Aid (FAFSA), where they provide information about their individual circumstances. Any youth who is in foster care on or after age 13 is automatically determined to be an independent student and therefore not required to report parental income and likely eligible for the full range of financial aid, including \$5,775 for a Pell Grant, based on full-time enrollment. Once the FAFSA is completed, it is sent to the individual institutions of higher education listed by the student and the financial aid office on that campus "packages" a student aid award, which is sent to the student electronically. In the vast majority of cases, foster youth are

required to complete a campus-based verification process before they can receive aid, which is where these students often lose their Pell eligibility.

Several factors contribute to the loss of the Pell for foster youth. First, foster youth do not have parents or other adults to assist them in the completion of the verification process. Their housing is often unstable and they lack regular, reliable access to a computer, where notices are sent via email. Second, foster youth are extremely rare, relative to the larger population of students in college. In California, there are approximately 14,000 foster youth attending community college, in a system that consists of 2.5 million students. This makes it understandable that a financial aid representative may provide inaccurate instructions about the verification process to foster youth. Combined, these factors result in many vulnerable students losing the Pell grant at the verification stage. This has been borne out on the research: a 2015 study by The Institute for College Access and Success found that students selected for verification are less likely to receive the Pell grant than those who were selected for verification.

The current legislative proposal would address this for foster youth by automating the verification process. The State of California has full knowledge of who is currently and formerly in the foster care system and under the current proposal, this information would be shared with the California Student Aid Commission in order to verify foster care status for financial aid eligibility. This use of automation to verify eligibility has been used successfully in California, with the Chafee Education and Training Voucher, through a partnership with the California Student Aid Commission. Under the current proposal, a similar structure would be developed to improve rates of receipt of the Pell.

Provision 3: Increase access to campus-based support

A third key factor to address low rates of Pell receipt is a lack of student support on campuses to ensure that they complete their verification process and succeed in college. This was addressed in 2014 with the passage of Senate Bill 1023 (Liu) which was funded in the 2014-15 budget at a level of \$15 million annually. SB 1023 established campus support programs at 10 community college districts in California, which include 26 individual campuses.

These programs provide intensive support services for enrolled foster youth, and are modeled after foster youth support programs on campuses that have operated for over a decade which were funded by private philanthropy. The 26 campuses have been serving foster youth since January 2016 and the programs are embedded in existing Extended Opportunity Programs and Services (EOPS) programs. A key early finding from the implementation of SB 1023 is the effect of campus support programs on the Pell receipt. The John Burton Foundation is currently conducting a survey of campus representatives to determine the rate of Pell receipt among students who participate in a campus support program on a SB 1023-funded campus. Early findings suggest that close to 85% of these students receive the Pell.

The current legislative proposal would expand the number of SB 1023 community college districts from the current level of 10 to up to 20, thereby enabling more foster youth in college to secure the Pell and receive the support they require to succeed in higher education. This expansion would be funded with the existing \$15 million allocation, which is not currently being fully spent.