



**Web Seminar Q & A Follow Up:
Step-by-Step for Foster Youth to Completing the FAFSA
January 22, 2018**

- 1. I've heard from other financial aid experts that dislocated worker can also refer to people whose income may fluctuate drastically based on hours worked or work availability (for ex. They work as day workers in the construction industry). Do you agree or should we follow the definition provided by the help section?**

No. Volatile income is not enough for an individual to be a dislocated worker, although a dislocated worker may have volatile income.

The term "dislocated worker" is given the meaning at 29 USC 3102(15), which includes individuals who have been

- a. Terminated or laid off from employment and is unlikely to return to a previous industry or occupation.*
 - b. Terminated or laid off from employment due to a permanent closure or substantial layoff of a plant, facility or enterprise.*
 - c. Was self-employed but is unemployed as a result of general economic conditions in the community where the individual resides or because of natural disasters.*
 - d. Is a displaced homemaker.*
 - e. Is the spouse of an active duty member of the U.S. Armed Forces and has lost employment due to a permanent change in duty station.*
- 2. Are there specific strategies to help students avoid verification from their financial aid offices?**

If a student is selected for verification, they must complete verification to receive financial aid.

To reduce the odds of being selected for verification, a student should use the IRS Data Retrieval Tool.

- 3. Does a student need to live in California for 5 years to be eligible for Cal Grant? If not, how long do they need to live in California for Cal Grant?**

The FAFSA question asks about 5 years because 5 years is sufficient for someone to be considered a state resident in all states. Most states require a shorter duration for someone to be considered a state resident. California requires you to be a state resident

for at least one year (and two years in certain circumstances) to qualify for the Cal Grant. See <http://www.csac.ca.gov/doc.asp?id=929>.

4. Cal grant is completed only through the FAFSA application?

No. The student must complete the FAFSA and the student's school must verify their GPA by the deadline.

5. How should youth fill in the address portion when they have had several placements? What would a good "permanent" address be?

The address should be one that they can reliably receive mail through the end of the academic year. It could be a P.O. Box, or, with permission, the address of a friend or relative or the school. If their address changes, they should update it on the FAFSA.ed.gov web site.

6. Is there a number I can call for my clients to help with FSA ID?

- U.S. Department of Education's toll-free hotline
 - 1-800-4-FED-AID (1-800-433-3243) or 1-334-523-2691
 - TTY (hearing impaired): 1-800-730-8913
- FSA ID problems: 1-800-557-7394

7. Can you clarify who is included in a household?

If the student is dependent, the student, the student's parents, the student's siblings (including step-siblings) if they either would be deemed dependent on their own FAFSAs or if the parent(s) provide more than half of their support, and anybody who lives with and receives more than half support from the student's parents and will continue to do so through the end of the award year.

If the student is independent, the student, the student's spouse, the student's children (including step-children) if they either would be deemed dependent on their own FAFSAs or if the student and/or spouse provide more than half of their support, and anybody who lives with and receives more than half support from the student and/or spouse and will continue to do so through the end of the award year.

8. What should the funding expectations be for a foster youth attending a state or UC school?

Most foster youth, if deemed independent, will have a zero EFC (Expected Family Contribution) and will receive a Federal Pell Grant, Chafee Grant, Cal Grant and some institutional aid. Even so, it will be financially challenging for the student to persist and graduate.

9. Can students fill out both the Chafee grant and the cal grant?

Yes.

10. Should the IRS Retrieval tool be available every time? If not, is there a particular reason why it isn't sometimes? Lastly, if it isn't available, what is the best course of action?

Yes. However, recently there were issues relating to data security that necessitated it being taken offline. If the IRS Data Retrieval Tool is unavailable, it would be best to file IRS Form 4506-T as soon as possible to ensure that the student has an IRS Tax Return Transcript if requested by the college financial aid office.

11. If my GPA is very low and I would like to improve it, how do I do that? Do I need to take at least 16 unites?

See the bottom of <http://www.csac.ca.gov/doc.asp?id=925>

If you're graduating from high school with a GPA that is not high enough to meet the Cal Grant GPA minimum requirements, you can improve or re-establish your GPA at a California Community College. To re-establish your GPA for Cal Grant B Competitive awards, you must complete at least 16 cumulative units of undergraduate transferable/degree-applicable credits for academic course work at an accredited California Community College, with at least a 2.0 community college GPA.

If you've completed at least 16 college units, but less than 24 units, please ask your community college to submit your re-established GPA to the Commission.

If you're still in high school and you've completed 16 community college units, but less than 24 college semester units, you may use either your re-established college GPA or your high school GPA if it is at least 2.0 (you should use the highest GPA score).

You'll need to make an appointment with your college's financial aid office to discuss your wish to have your re-established GPA reported. Please do not wait until the last minute

12. Are you aware of any financial assistance with the IRS form 4506t? It looks like it's around \$50.

You are confusing IRS Form 4506 Request for Copy of Tax Return with IRS Form 4506-T Request for Transcript of Tax Return. You need to file IRS Form 4506-T, not IRS Form 4506. IRS Form 4506-T is free. It provides a tax return transcript. IRS Form 4506, which costs \$50, provides a copy of the actual tax return filed, not a transcript. A transcript is sufficient.

13. How do we get to the Chafee online application if the FAFSA was submitted at a different time?

Visit <https://www.chafee.csac.ca.gov> and click on Application Process. There is an option to submit the California Chafee Grant Application online. To apply for the Chafee online,

a student must first complete the FAFSA or CADAA. They do not need to complete the Chafee application at the same time as the FAFSA, this can be done at a later time.

14. For household size - a previous foster youth is living in our homeless shelter. he has a newborn living outside the shelter who he financially supports. Can he include this child in his household size?

Yes, if he provides more than half support to the child. The child does not need to live with him to be counted in his household size. Note that he may be able to count support provided by the child's mother and government support programs like TANF and WIC as part of his support of the child. What matters from a federal student aid perspective is whether he or his parents provide more support for the child, and any support received from sources other than his parents counts as part of his support.

College financial aid administrators sometimes get this wrong. (It's a great question for stumping financial aid administrators.) If a financial aid administrator disagrees, tell them to read the two paragraphs (excerpted below) from "Other sources of support for children and other household members" on the bottom of page AVG-28 of the 2018-2019 Application and Verification Guide. Here's the relevant excerpt from that page:

If the student is receiving support to raise her child, is the child still considered a legal dependent? If one or both of the student's parents are directly or indirectly providing more than 50% support in cash or other assistance to the child, then the student would answer "No" to the FAFSA question about legal dependents. "Indirect support" to the child includes support that a parent gives to the student on behalf of the child. If the student is living with a parent who is paying for most of the household expenses, the parent would usually be considered the primary source of support to the child, and the student would answer "No" to the question about legal dependents. However, there may be some cases where the student can demonstrate that she provides more than half of her child's support even while living at home, in which case she would answer "Yes" to the question about legal dependents.

When the student receives money for the child from any source other than her parents, she may count it as part of her support to the child. Sources include child support and government programs, such as Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP, formerly the federal Food Stamp Program), that provide benefits for dependent children. So a student may be considered independent when the benefit she receives is the primary support for her child. For example, if a student who lives alone with her child receives cash from her boyfriend that amounts to more than 50% support for her child, then she would be able to count the child as a dependent and in her household size, and she would be independent. If the boyfriend is the father of the child and a student himself, then he would also be able to count the child as a dependent and in his household size, and he would be independent too.

- 15. Are NMD Re-Entry youth eligible for the Chafee? (Ex. former Non-Relative LG that did not have dependency between 16-18, but was reinstated after 18)**

Eligibility for Chafee requires that the student be or have been a foster youth or a ward of the court for at least one day between ages 16 and 18. If the student was not a ward of the court or living in foster care for at least a day between ages 16 and 18, they are not eligible.

- 16. Is there an age cut off for the Pell Grant for former foster youth that are in their later 20's?**

There are no age cutoffs for the Federal Pell Grant. There is a limit on cumulative Federal Pell Grant eligibility that is the equivalent of 12 semesters. Also, once you have a Bachelor's degree, you are no longer eligible for the Federal Pell Grant.

- 17. We have a relative who has been saving in 529 Plans that he is the owner of, but they are care/of my kids' older brother, who has aged out of the Foster System. Our relative is going to use these 529 funds for my triplets when eligible costs arise over the next four years, since the funds are transferrable to siblings. Do my kids have to report these funds on FAFSA?**

If the account owner of a 529 plan is the student or a dependent student's parent, the 529 plan is reported as an asset on the FAFSA and qualified distributions are ignored.

If the account owner of a 529 plan is anybody else, the 529 plan is not reported as an asset, but qualified distributions are reported as untaxed income to the beneficiary (the student) on a subsequent year's FAFSA.

Non-qualified distributions are included in the beneficiary's adjusted gross income (AGI) and thus are always counted.

- 18. I noticed one of the questions was regarding homeless status. Do they report parent income if they are unaccompanied youth?**

No. An unaccompanied youth who is homeless or at risk of homelessness is considered an independent student. Independent students do not report parent income.

- 19. If a student was considered Foster Youth during the 2014 -2015 school year but their case closed during that summer in the 2015 year would they still be able to apply with an independent status?**

If a student was in foster care or a ward of the court at any time after reaching age 13, the student is considered an independent student, regardless of whether they are still in foster care or have been reunited with their parents.

20. For DACA individuals who were not California high school students, will they qualify for the Dream Act grant? What other grants will they qualify for?

In most cases, DACA students who are not California high school students will not qualify for the California Dream Act. However, there are a few exceptions, such as victims of human trafficking or domestic violence with a T or U visa status, or DACA foster youth who were placed out of state.

21. Does student have to list income from state job programs such as Bridges to Work as part of income reported?

No, except to the extent that the income is included in adjusted gross income (AGI) on your tax return. The purpose of the questions about Federal Work-Study and need-based employment programs under "Additional Financial Information" is so that these forms of need-based aid, which are included in AGI on tax returns, can be excluded from income by subtracting them from Total Income when calculating eligibility for need-based aid. Welfare benefits and extended foster care benefits are not reported as untaxed income on the FAFSA.

22. Is the Cal Grant B only for Foster youth/legal guardianship youth?

No. See <http://www.csac.ca.gov/doc.asp?id=568>.

23. I'm working with a youth that will earn a certificate of completion instead of a diploma. Will he still be eligible for aid?

Probably not. To be eligible for federal student aid, the student must have a high school diploma, GED or state equivalent (e.g., the California High School Proficiency Exam), or graduated from a homeschool that satisfies state requirements. See <https://answers.ed.gov/link/portal/28022/28025/Article/632/Certificate-of-Completion>.

24. Is it better for students to file their income or not file their income if it's by choice? Will filing affect the amount of financial aid they qualify for?

Students whose income falls below IRS filing thresholds may nevertheless want to file a federal income tax return to receive certain refundable federal income tax credits. It also makes filing the FAFSA easier using the IRS Data Retrieval Tool, which will also make them less likely to be selected for verification. In 2016, the filing threshold for single filers under age 65 was \$10,350 and for married filing jointly was \$20,700.

25. This presentation seemed to be focused only on state level programs relating to California. Will info be shared on getting information on state level programs for other states?

Yes, the focus of this presentation was on California aid programs for foster youth. There are similar programs in other states.

26. Will an 18-24 year old youth's FAFSA be affected if they have a criminal history?

Students who are currently incarcerated are ineligible for federal student loans and, if incarcerated in a federal or state penal institution, for the Federal Pell Grant. Eligibility is restored after they are released from prison except if they are involuntarily committed because of a sexual offense.

Students who were convicted of the sale or possession of illegal drugs while receiving federal student aid may have their eligibility for federal student aid suspended for one or two years, or indefinitely, depending on whether it was a first, second or subsequent offense and whether it was for sale or possession of illegal drugs. The suspension can be ended early if the student completes a drug rehabilitation program or passes two unannounced drug tests.

27. For students who want to attend college out of state, will this application be applicable for the out of state schools? Also, if there are application fees would FAFSA or the students case status enable them to receive a Fee Waiver for the application granted if it cost?

The Cal Grant is for attendance at California colleges only.

The Federal Pell Grant is for attendance at any accredited U.S. college or university.

There is not a fee to file the FAFSA. FAFSA stands for Free Application for Federal Student Aid. As the name suggests, it is a free form. Do not pay a fee to complete the form.

The College Board publishes a database of admission application fee waivers at <https://bigfuture.collegeboard.org/get-in/applying-101/college-application-fee-waivers/participating-colleges?excmid=CBF21-ST-1-fw>. Students who qualify for a fee waiver when taking the SAT automatically get a fee waiver to send scores to up to four colleges and will get four admission fee waivers.

28. Do you have to make a webgrants account and apply through the Cal grants website in order to receive the Chafee? (I thought eligibility was automatically determined through the FAFSA application.)

A webgrants account is required to manage your status.

To be considered for the California Chafee Grant, a student must submit either the FAFSA or the CADAA (if they are undocumented/AB 540 eligible) AND also submit the Chafee Grant Application. The student's foster youth status will be verified through the California Department of Social Services (CDSS) to determine if they meet eligibility criteria as a current or former foster youth.

For more information about the Chafee visit: <https://www.chafee.csac.ca.gov/>

29. **Regarding the question, "Have you lived in California for at least 5 years?", do these need to be consecutive years?**

Yes, on the FAFSA. But, a student may still qualify as a state resident even if they have not resided in the state for five years or the years weren't necessarily consecutive, depending on the state. The question asks about five years because a student who resided in the state for five or more years is considered a state resident in all states.

30. **If a child is living with one of their legal parents (bio or adoptive), but still have an open case under Family Maintenance are they still considered independent or dependent?**

No. If they were a dependent or ward of the court, but remained in the legal custody of their parents, they are not considered a ward or the court for the purposes of the FAFSA and therefore do not qualify for "Independent Status."

31. **If you have a Foster Youth that is in 11th grade and not on a diploma track, but turning 18 before the end of this school year. Would they be eligible for federal financial aid without a GED or diploma?**

No. To be eligible for federal student aid, the student must have a high school diploma, GED or state equivalent (e.g., the California High School Proficiency Exam), or graduated from a homeschool that satisfies state requirements.

32. **What if a youth was removed from their home by CWS and given only preventive services then closed the case. The kinship caregiver proceeds to take on legal guardianship. Would this youth qualify as an individual?**

If the student was in foster care, even for just a day, at any point after reaching age 13, the student is independent. If they were a dependent or ward of the court, but remained in the legal custody of their parents, they are not considered a ward or the court for the purposes of the FAFSA and therefore do not qualify for "Independent Status." If someone, other than their parent or stepparent, has legal guardianship of them, as determined by a court, then they can also qualify as an independent student.

33. **I have a question in regard to Student Tax information. I currently am servicing 4 Seniors who are all Foster. One of my students worked with an organization however the student did not receive any tax returns. On his W2 the student did input that he was exempt so in regard to that, should the student indicate that he will not file the 2016 Tax return?**

When you work for an organization, if it is paid employment, you should receive a W-2 or 1099 form. If the income listed on these forms, in aggregate, exceeds the IRS filing thresholds, you must file a federal income tax return, such as IRS Form 1040A, IRS Form

1040EZ or IRS Form 1040. If the total income is less than the filing threshold, you are not required to file a federal income tax return, but may choose to do so (e.g., to claim certain refundable federal income tax credits or to enable you to use the IRS Data Retrieval Tool, which reduces the likelihood that you'll be selected for verification).