

**WEBINAR**

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**NEW FAFSA POLICIES  
FOR HOMELESS AND  
FOSTER YOUTH**



**Juvenile  
Law Center**



**THURSDAY,  
FEB. 4, 2021  
3PM ET / 12PM PT**

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# Introductions



SchoolHouse Connection works to overcome homelessness through education. We provide strategic advocacy and practical assistance in partnership with schools, early childhood programs, institutions of higher education, service providers, families, and youth.



JOHN  
BURTON  
Advocates for Youth

John Burton Advocates for Youth works to improve the quality of life for California's most vulnerable youth and young adults, including those who are homeless or currently or formerly in foster care. JBAY employs a combination of strategies designed to impact state-level policy, support policy implementation and facilitate the development of innovative practice solutions.

Juvenile  
Law Center

Juvenile Law Center advocates for rights, dignity, equity and opportunity for youth in the child welfare and justice systems. Through litigation, appellate advocacy and submission of amicus (friend-of-the-court) briefs, policy reform, public education, training, consulting, and strategic communications, we fight for children who come into contact with the child welfare and justice systems.

# Housekeeping

## HAVE A QUESTION?

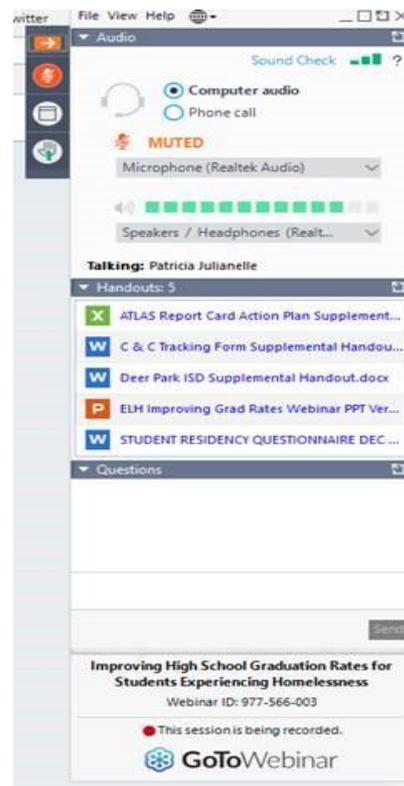
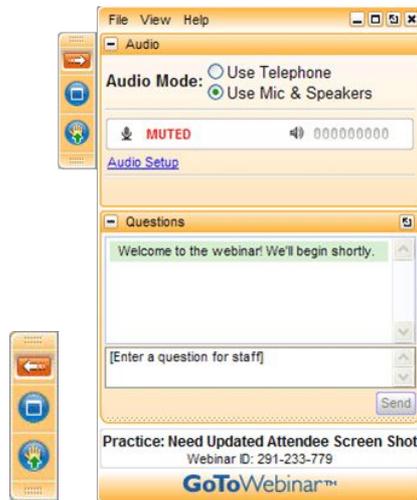
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# Today's Agenda

- Introductions
- Higher Education & FAFSA: Why it Matters
- What's in the FAFSA Simplification Act?
  - Overview and Effective Date
  - Homeless and Foster Specific Provisions
  - Broader Provisions
- What Happens Next: Implementation and HEA Reauthorization
- Other Important New Higher Education Policies
- Q&A

# Higher Education & FAFSA:

## Why it Matters for Homeless and Foster Youth

- Some form of postsecondary education is necessary for jobs that pay enough to lift out of poverty and afford housing.
- Higher education is also associated with better health and other indicators of well-being.
- The equity gaps laid bare by COVID-19 will only worsen if we are not intentional and proactive about helping marginalized and vulnerable young people successfully make the transition to and through higher education.
- Homeless and foster youth need financial aid to pursue higher education, but face they many barriers in completing the FAFSA.

# Government Accountability Office Report:

## Access to Federal Financial Assistance for Homeless and Foster Youth

Annual re-verification of homelessness poses barriers for unaccompanied homeless youth.

Extensive documentation requests can impede access to aid for homeless youth.

### Key findings of May 2016 report:

Burdensome program rules can hinder the ability of homeless and foster youth to access federal supports.

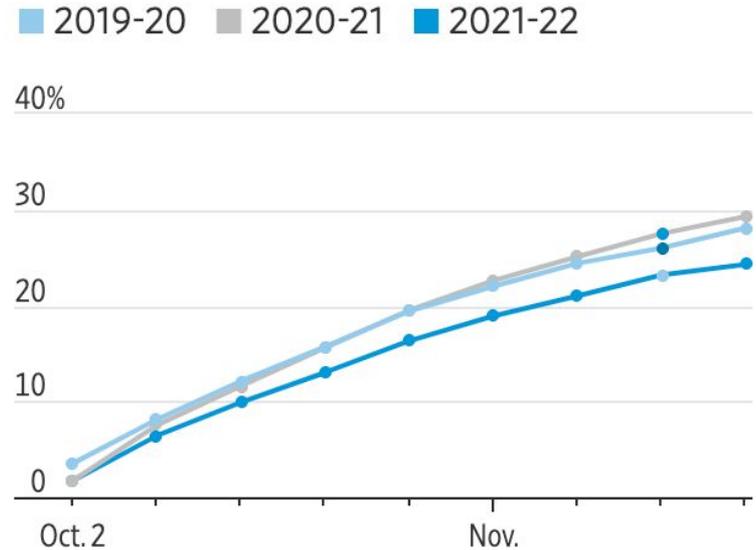
Limited academic preparation, family support, and awareness of resources make it harder for homeless and foster youth to pursue college.

# COVID-19 Has Created New FAFSA Barriers.

- FAFSA numbers **are down nearly 17%** compared to last year; the decline is even steeper for lower-income students.
- We've seen **more documentation and communication challenges** during distance learning.

## Financial Aid Falloff

Estimated cumulative percentage of U.S. high school-seniors who submitted the Fafsa form for college aid.



Note: Dates are approximate for 2019-20 and 2020-21 cycles

Source: National College Attainment Network analysis of Education Department data

# Help is on the Horizon: The FAFSA Simplification Act **is Now Law!**

- The “FAFSA Simplification Act” was included in Section 701 of Title VII, of [the Consolidated Appropriations Act, 2021](#), H.R. 133.
- Signed into law on December 27, 2020.
- The changes are effective as of July 1, 2023. They apply to the 2023-2024 award year and subsequent years.
- The 2023-24 FAFSA will be available for completion on October 1, 2022. Until then, the current law/guidance are in place.
- It seems far off, but not too early to plan for implementation and determine what kind of guidance is needed.
- Many requirements come from current guidance, and should be implemented now.

## New Provision



Students determined in a preceding year to be independent based on unaccompanied homeless youth or former/current foster care status are presumed to be independent for each subsequent year at the same institution unless:

- the student informs the institution that circumstances have change” or
- the institution has *specific* conflicting information about the student’s independence, and has informed the student of this information.

**Homeless and foster care status do not need to be redetermined every year.**

## Problem It Addresses



- Youth spend a lot of time getting yearly determinations when their status has not changed.
- They are asked to get information from previous years, which can be difficult.
- Youth can be denied eligibility if they are not able to get the verification requested.

## New Provision



Determinations of homeless and foster status:

- Must be made as quickly as practicable
- May be made as early as the year before the award year for which the student submits the application
- Must not be made later than during the award year for which the student initially submits the application

**Determinations must be made as quickly as practicable.**

## Problem It Addresses



Delays in determinations have caused delays in aid, exacerbating financial hardship and basic needs challenges.

## New Provision



The following parties are authorized:

- School district homeless liaisons
- Director or a designee of a director of “an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other program serving homeless individuals
- Director or a designee of a director of a program funded under a TRIO or GEAR UP grant
- FAA at another institution who previously made a determination

**More officials and programs are authorized to determine unaccompanied homeless youth status.**

## Problem It Addresses



Homeless youth receive services from an array of providers. Many of the providers youth were working with were not on the authorized list and their verification of youth’s homeless status was not accepted.

## New Provision



Requires FAAs to consider and accept as sufficient documentation from one of the authorized entities, unless there is documented conflicting information.

Documentation from one of the authorized entities may include “a documented phone call, written statement, or verifiable electronic data match.”

**FAAs must accept homeless youth determinations from authorized parties.**  
**(Similar to existing guidance)**

## Problem It Addresses



- Deference was not always given to the providers most familiar with the youth.
- Guidance was not always followed on this issue.

## New Provision



FAAs determinations must be:

- Based on a written statement from, or a documented interview with, a student that confirms that a student is UHY (or unaccompanied, at risk, and self-supporting)
- Made independent from the reasons that the student is UHY, or is a youth who is unaccompanied, at risk of homelessness, and self-supporting.

**FAAs must make determinations for homeless youth who cannot get determinations from other authorities.**  
**(Similar to existing guidance.)**

## Problem It Addresses



- Guidance is often overlooked. Determinations of homeless status were not being made for youth who were not connected to homeless service providers.
- FAAs failure to make determinations resulted in lack of access to financial aid.
- FAAs made determinations based on a restrictive definition of homelessness that is not in the higher education law.

**If an institution requires documentation for FC youth, it must accept certain documents as adequate, in the absence of documented conflicting information.**

- A court order or official State documentation that the student received Federal or State support in foster care;
- A documented phone call, written statement, or verifiable electronic data match, which confirms the student was in foster care at an applicable age, from:
  - a State, county, or tribal agency administering a program under part B or E of title IV of the Social Security Act;
  - a State Medicaid agency; or
  - a public or private foster care placing agency or foster care facility or placement.
- A documented phone call or a written statement from an attorney, a guardian ad litem, or a Court Appointed Special Advocate that confirms that the student was in foster care at an applicable age, and documents the person's relationship to the student.
- Verification of the student's eligibility for an education and training voucher under the John H. Chafee Foster Care Program under section 477 of the Social Security Act (42 U.S.C. 677).

# Provisional Independent Student Status

- Student may complete the FAFSA as a “provisional” independent student if they believe they may qualify for independent status due to unusual situations such as:
  - parental abandonment
  - abuse
  - neglect
  - legally granted asylum
  - student or parental incarceration
- Administrators required to notify these students of the institution's process, requirements, and timeline for an adjustment
- Final status determination as soon as practicable after all documentation received.
- Any student who received a dependency adjustment is presumed independent for subsequent years at the same institution unless student informs of changes to their circumstances, or institution has conflicting information.

# Important Clarification on Provisional Independent Status

- Provisional independent status is **different and distinct from** homeless and foster care provisions
- For homeless and former foster youth, financial aid administrators **must** make determinations according to the law – it is not a matter of professional judgment.
- This distinction will be important to make clear to FAAs, to youth, to counselors, and to advocates

# Homeless/Foster FAFSA Questions and Data Requirements

- Requires the Secretary of Education to ensure that the simplified FAFSA has a single question on homeless status.
- The question must be an “easily understood screening question” to identify an applicant who is an unaccompanied homeless youth, or unaccompanied, at risk of homelessness, and self-supporting.
- The question must be “distinct from those relating to an individual who does not have access to parental income due to an unusual circumstance.”
- The Secretary of Education must publish data in a publicly accessible manner annually on the number of individuals who apply for Federal financial aid who indicated they are an unaccompanied homeless youth or a foster care youth.

**QUESTIONS SO FAR?**

## More FAFSA Simplification Act Policies

- Renames “Estimated Family Contribution” as “Student Aid Index”
- Reduces the number of questions on the FAFSA from 108 to 36
- Allows incarcerated individuals to receive federal financial aid
- Eliminates prohibition on students with drug offenses receiving federal student aid
- Removes requirement that male students register with Selective Service
- Simplifies calculation for federal aid
- Expected to increase the number of Pell Grant students eligible for the maximum award

# Pell Grant Calculation

- Maximum Pell available to:
  - All tax non-filers
  - Independent students who are single parents (and dependent children of a single parent) whose AGI is below 225% of the poverty level
  - Independent students who are not single parents (and dependent children with parents who are not single parents) whose AGI is below 175% of the poverty level
- Those students not eligible to receive the max Pell award would receive max award, less their SAI



## Pell Grant Calculation (cont.)



- Students not receiving Pell awards under either method could receive the minimum Pell if income falls below a set percentage of the poverty line
- Allows for negative SAI down to -1500
  - allows neediest students to receive aid in excess of COA and better targeting of available aid
- Calculation based on number in household, but not number in college
- Allows students to preview Pell eligibility in advance

# Poverty Line (2020)

# in Household	Poverty Guideline	175%	225%
1	\$12,760	\$22,330.00	\$28,710.00
2	\$17,240	\$30,170.00	\$38,790.00
3	\$21,720	\$38,010.00	\$48,870.00
4	\$26,200	\$45,850.00	\$58,950.00
5	\$30,680	\$53,690.00	\$69,030.00
6	\$35,160	\$61,530.00	\$79,110.00
7	\$39,640	\$69,370.00	\$89,190.00
8	\$44,120	\$77,210.00	\$99,270.00

## Other Changes

- Max Pell increased by \$150 to \$6,495 for the 2021-2022 academic year
- The 150 percent program length limit will be removed on subsidized federal student loans
- Prohibit institutions from maintaining a policy of denying all professional judgment requests.
- More flexibility to use Professional Judgment to adjust income based on current family situation
- Restoration of Pell Grant lifetime eligibility for students unable to complete their program due to the institution closing, who were falsely certified as eligible to receive federal financial aid, or whose loans were discharged in a successful borrower defense claim.
- Emergency financial aid for a component of the cost of attendance will no longer be subtracted when determining the student's financial need.

# Cost of Attendance Changes

- Secretary of Education now has authority to regulate all COA components except tuition and fees
- Requires food allowance to provide the equivalent of at least three meals per day.
- On-campus housing allowances would be determined separately for students with and without dependents.
- Colleges may no longer set the housing allowance to zero for a dependent student living with parents.

# What's Next:

## The Road to FAFSA Simplification Act Implementation

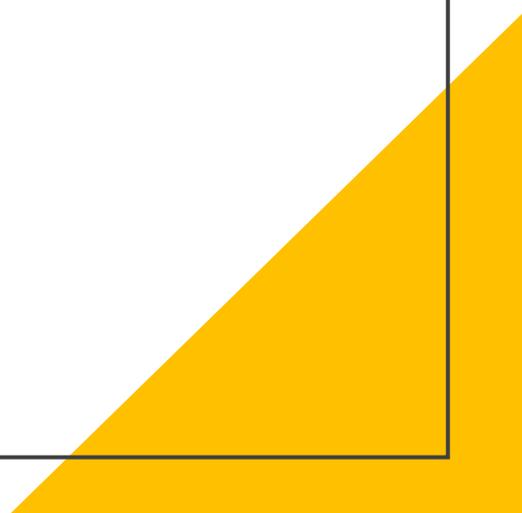
ED has the authority to take steps as necessary for orderly implementation. ED must:

- Annually consult with stakeholders on the best practices for outreach in the transition to new FAFSA, and soliciting public comments for the format
- Not less than 9 months after enactment, ED must conduct consumer testing with:
  - Prospective first-generation college students, and representatives of students (including low-income students, English learners, first-generation college students, among others)
  - Institutions of higher education
  - Secondary school and postsecondary counselors
  - Nonprofit consumer groups
- The FAFSA form must be updated based on consumer testing at least each fourth succeeding award year after award year 2023-2024

# What About the Rest of the Higher Education Act?

- Congress only reauthorized financial aid process, not other sections of HEA
- Additional homeless/foster priorities include higher education liaisons, housing priority/plans, voluntary questions of homeless/foster status on admissions, TRIO/GEAR Up improvements, amending Satisfactory Academic Progress requirements, Verification of Non-Filing, etc.

## **Other Important New Higher Education Policies**

- COVID Relief - Higher Education Funds
  - Chafee
  - ETV
  - Moratorium on Aging Out in Pandemic
  - New Housing Provisions for Foster Youth
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# Higher Education Emergency Relief Fund (HEERF II)

- \$22.7 billion included in the final FY21 omnibus legislation (\$14 billion was included in CARES Act)
- Colleges must make the same amount available to students as was included in the CARES Act
- Differences from CARES Act
  - Undocumented students and other students not Pell-eligible included
  - Students enrolled exclusively online can receive funds
  - Required to prioritize students with exceptional need, rather than encouraged
  - Funding formula adjusted such that more funds will go to community colleges
- Campus may not use the grants to satisfy a student's outstanding account balance, unless it has obtained the student's consent

## **Chafee Increase**

- An increase in Chafee funds by \$400 million, with \$50 million for Education and Training Vouchers (ETV).
  - The current national Chafee and ETV allocation is approximately \$180 million (140 in Chafee and 40 in ETV).
  - There is no state match for the funding increase and states do not have to submit a plan to receive the funds.
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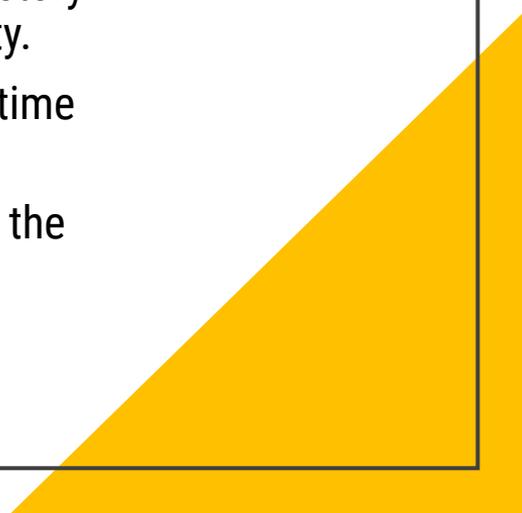
## **Use of Chafee Funds**

- Direct financial assistance to youth and young adults (stimulus style payments).
- Direct provisions of housing, expansion of housing programs, including rental assistance.
- Technology and wifi.
- Basic needs.
- Staffing enhancements for outreach, resource navigation, coaching and general case management supports.

## **Chafee Program Flexibilities**

- Chafee eligibility can be extended through a youth's 26 year.
- States can use more than 30% of their Chafee allocation for room and board.
- States can use a portion of the funds for costs related to driving and getting a driver's license.
  - States can allocate up to \$4000 per youth who is age 15 or older

## **ETV Program Flexibilities**

- The individual award max is increased from \$5000 to \$12,000.
  - Youth do not have to meet the enrollment and making satisfactory progress (SAP) towards completion requirements for eligibility.
  - Youth are eligible for ETV even if they attend at less than full time status.
  - ETV funds can be used to cover expenses that are not part of the cost of attendance, but would help a youth stay enrolled.
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# **Extended Child Welfare Services (Moratorium) and Reentry**

- Child welfare agencies must continue to provide foster care service to young people who do not want to age out during the pandemic.
- Child welfare agencies must allow youth to re-enter foster care if they aged out during the pandemic (beginning on January 27, 2020).
- These provisions are in effect until September 30, 2021.

# Federal Approps – Foster Youth Housing

- Makes the Fostering Youth to Independence Initiative, which targets housing assistance to young people aging out of foster care, permanent in statute.
- Extends the FYI voucher term by 2 additional years (beyond the base of 3 years) for individuals participating in the FSS or other work force programs.
- Provide \$25 million for the Family Unification Program (FUP). \$20 million of these funds are for vouchers for young people.
  - [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/fyi](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/fyi)



**Where do you anticipate sticky issues in implementation that would benefit from strong federal guidance?**

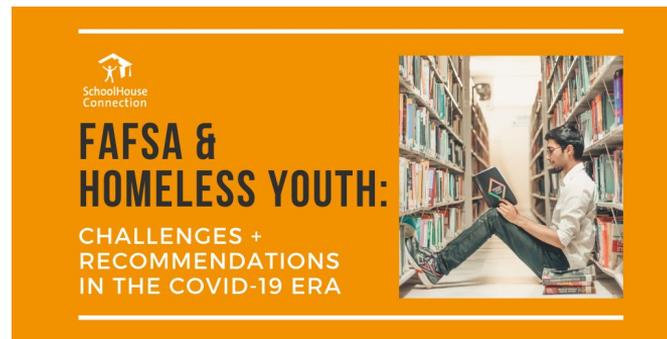
**QUESTIONS**

# Resources



## [SchoolHouse Connection FAFSA Page](#)

Comprehensive homelessness and financial aid resources including sample verification forms, tip sheets, and more.



## [FAFSA & Homeless Youth: Challenges + Recommendations in the COVID-19 Era](#)

This SchoolHouse Connection report examines six years of financial aid data for unaccompanied homeless youth. These data demonstrate continued barriers to financial aid access – barriers that have been exacerbated by the COVID-19 outbreak.

# **Child Welfare Resources**

- [General summary](#) of provisions impacting older youth (not limited to child welfare) in the *Consolidated Appropriations Act, 2021*
- [Detailed Summary](#) of the Child Welfare Older Youth Provisions

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