FAFSA FIXES FOR HOMELESS AND FOSTER YOUTH: WHAT YOU NEED TO KNOW NOW

WEDNESDAY, DECEMBER 7
1:00-2:15 PM EASTERN
Housekeeping

Meeting will last 1 hour and 15 minutes

Audio is muted - please ask questions through Q&A.

Session is being recorded

Follow-up email after the session will include the recording, powerpoint, and resources.
Hello, everyone!

Barbara Duffield, Executive Director, SchoolHouse Connection

Jillian Sitjar, Senior Program Manager, Higher Education, SchoolHouse Connection

Bryce McKibben, Senior Director of Policy & Advocacy, The Hope Center

Debbie Raucher, Director of Education, John Burton Advocates for Youth

Jennifer Pokempner, Policy Director, Youth Law Center

Jasmine Miller, Staff Attorney, Youth Law Center
Today’s Agenda

- Current Trends in Higher Education
- Analysis of FAFSA Data
- FAFSA Simplification Updates
  - What’s In Effect Now
- Resources
- Q&A
Higher Education and Financial Aid: 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 - 80% of "good jobs" are held by workers with at least some postsecondary education.
- Higher education appears to be a protective factor against youth homelessness. A 2019 study shows four year college enrollment to be nearly four time higher for young adults without experiences of homelessness in the prior month.
- New data links financial aid and upward mobility. In WA, all students who came from families with household incomes below $63K saw their economic status rise within three years of earning a degree and entering the labor force.
Students are Experiencing Basic Needs Insecurity

NEARLY 200,000 (11% response rate) STUDENTS ATTENDING
202 COLLEGES AND UNIVERSITIES IN

42 STATES
130 two-year colleges
72 four-year colleges and universities

THESE STUDENTS TOLD US THAT...

NEARLY 3 IN 5 experienced basic needs insecurity

FOOD INSECURITY AFFECTED
39% at two-year institutions
29% at four-year institutions

HOUSING INSECURITY AFFECTED
48% HOMELESSNESS AFFECTED
14%

THE BLACK/WHITE GAP IN BASIC NEEDS INSECURITY WAS 16 percentage points
Report: “Working Harder Just to Be Seen and Heard:” Barriers to Financial Aid for Homeless and Foster Youth

Download the Report:
2. Scan the QR Code
Key Finding #1

In the 2020-2021 academic year, the number of unaccompanied homeless youth (UHY) FAFSA determinations **declined by almost 10%** from the prior year (2019-2020).

A significantly larger drop than the 1% decrease in the total number of FAFSA applications submitted in 2020-21.
Key Finding #2

The number of FAFSA applicants who were determined to be independent because both parents were deceased, or the applicants were in foster care or dependents or wards of the court decreased by 7% from the prior year (2019-2020).
Key Finding #3

The number of youth who requested FAFSA homeless determinations, but did not receive them by the end of the application cycle, increased by 23% from the prior year (2019-2020), and by 34% from 2018-2019.
Unaccompanied Homeless Youth Determinations by Authorized Entity

Application Cycle  
- 2019-2020
- 2020-2021

- **High School or School District**: 27,870
- **HUD Program**: 25,280
- **Youth or Transitional Program**: 4,617
- **School Financial Aid Administrator**: 3,924
- **Total**: 41,243

Unaccompanied Homeless Youth Determinations by School District Liaisons

Percent (%) increase (+) or decrease (-) from previous year

2016: FAFSA Amendments to McKinney-Vento go into effect

When filling out the FAFSA, unaccompanied homeless youth OR unaccompanied youth who are self-supporting and at the risk of being homeless are considered independent students.

Independent students do not need to include parental information on the FAFSA.

Students who are experiencing homelessness with their families are dependent students, and will need to include parental information on the FAFSA.

NOTE: A student living in any of these situations and fleeing an abusive parent may be considered homeless even if the parent would provide support and a place to live.
Youth with Experience in Foster Care and Independent Status

- Young people are considered independent on the FAFSA if they were in foster care, were dependent or were a ward of the court at age 13 or older.

- Young people do not lose this status if they:
  - Enter the juvenile justice system or
  - Enter a permanency arrangement.

- Young people who are or were in foster care through the juvenile justice system at age 13 or older are also eligible.
  - Ask for assistance if you have questions about a young person’s placement type to ensure that eligible youth are identified as independent.
The FAFSA Simplification Act: Major Policy Wins

- Significant improvements for homeless and foster youth were included in the FAFSA Simplification Act.

- The U.S. Department of Education (ED) is implementing the FAFSA Simplification Act in phases through 2024-2025:
  - ED released guidance on November 4, 2022 declaring the homeless/foster provisions are in effect now for enrollment in the upcoming 2023-2024 award year.

- While the text of the homeless/foster questions on the FAFSA that went online October 1 has not changed, the law has changed.
- Repeal of Subsidized Usage Limited Applied (SULA) calculation
- Removal of negative consequences associated with drug convictions or failure to register for Selective Service
- Comments on applicant’s Student Aid Report (SAR) updated to make it clear that they are now eligible for federal student aid regardless of how they answered FAFSA questions on drug convictions and Selective Service
- Removal of drug conviction and Selective Service FAFSA questions
- Addition of demographic survey
- Expansion of Pell Lifetime Eligibility Used (LEU) restoration
- Extension of Pell Grant eligibility to incarcerated students
- Carry over of responses to homeless & unaccompanied youth questions
- Changes to Cost of Attendance
- Expansion of professional judgment
- Adjustments for applicants who cannot provide parental info
- Expanded acceptable documentation for unaccompanied/homeless youth
- Modified FAFSA form to include the remaining FAFSA Simplification provisions
  - Includes provisional independent student determination
  - Provide tool for estimating student aid eligibility
  - Expanded accessibility of FAFSA forms to 11 most common languages
  - Calculation of Student Aid Index (SAI) replaces Expected Family Contribution (EFC)
  - Changes to Pell Grant eligibility formula
  - Changes to verification selection criteria
  - Direct Data Exchange to import Federal Tax Information (FTI) for FAFSA, IDR and TPD forms
  - Re-engineered FAFSA processing systems

Source: U.S. Department of Education
Homeless and Foster Care Status Does Not Need to be Redetermined Every Year

- Unaccompanied homeless youth (UHY), or former foster youth, are presumed to still be independent for each subsequent year at the same institution.

- UHY and foster youth who are renewing their FAFSA will have their answers to these questions carried over/pre-populated into their 2023-24 FAFSA.
  - Students must affirm that previous answers are still correct.

- Schools MAY ask students if homelessness situation has changed.

- Schools CANNOT delay or hinder the awarding and/or disbursement of federal student aid, nor require additional documentation unless there is conflicting information (under previous guidance, this was only recommended).
Determinations of UHY and Foster Youth Must Be Made As Quickly As Practicable

- Determinations **MUST** be made:
  - As quickly as possible, and
  - No later than 60 days after enrollment (i.e. student enrolls August 15, determination must be made by October 15)

- Determinations **MAY** be made as early as the year before the award year for which the student submits the application (i.e. now for 2023-2024)

- **Why?** Delays in determinations have historically caused delays in aid, exacerbating financial hardship and student basic needs insecurity
More Officials and Programs Are Authorized to Verify That an Applicant is an UHY

Additional individuals are authorized to verify UHY status:

- School district liaisons or their designee
- Director or a designee of a director of an emergency or transitional shelter (does not need to be HUD funded), street outreach program, homeless youth drop-in center, or other program serving individuals who are experiencing homelessness
- Director of TRIO or GEAR UP program or their designee
- Financial aid administrator at another institution who previously made a determination in same or prior award year (transfer)
But, 2023-2024 FAFSA is **not** updated to reflect expanded list of sources
Financial Aid Administrators Must Accept Documentation From Authorized Entities

- Financial aid administrators must accept documentation from one of the authorized entities, unless there is conflicting information.

- Documentation from one of the authorized entities may include:
  - documented phone call
  - written statement; or
  - verifiable electronic data match

- IF student does not have this, financial aid administrator must make determination themselves through written statement or documented interview (codifying guidance)
Financial Aid Administrators Must Accept Documentation the Following Documents for Students in Foster Care

If an institution requires documentation that a student was in foster care when the student was age 13 or older, financial aid administrators must accept any of the following documents (in the absence of documented conflicting information):

- Verification of the student’s eligibility for an education and training voucher under the John H. Chafee Foster Care Program.
- A court order or official State documentation that the student received Federal or State support in foster care
- 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
- A documented phone call, written statement from a financial aid administrator, or verifiable electronic data match, which confirms the student was in foster care at an applicable age
Financial Aid Administrators Must Make UHY Determinations for Youth Who Cannot Get Determinations from Other Authorities

- Financial aid administrators must make determinations for unaccompanied homeless youth who are unable to get determinations from other entities.
- These determinations must be based on a written statement from, or a documented interview with, a student that confirms that a student is an unaccompanied homeless youth (or unaccompanied, at risk, and self-supporting).
- The determination must be made based on the legal definitions of homeless and unaccompanied contained in the education subtitle of the McKinney-Vento Act, and independently from the reasons that the student is an unaccompanied homeless youth, or is a youth who is unaccompanied, at risk of homelessness, and self-supporting.
- Financial aid administrators can utilize the tool to make determinations.
**Dependency Overrides for Unusual Circumstances**

- A student who does not qualify as independent under the usual grounds may ask for a dependency override due to unusual circumstances.
- Unusual circumstances are when a student cannot contact a parent, or it would be unsafe to do so. Examples include but are not limited to:
  - Parental abandonment or estrangement
  - Human trafficking
  - Separation from a parent due to immigration processes, for instance, refugee/asylum
  - Student or parental incarceration
  - Other circumstances, such as parental incapacitation, abusive home environment, etc.
- Dependency overrides may be helpful for youth who are neither homeless nor former foster youth but nonetheless have extenuating circumstances that preclude being able to obtain parental information.

It is important to note that the new homeless and foster youth provisions are **different and distinct** from a dependency override:

- Dependency overrides are granted on a case-by-case basis as an exercise of the financial aid officer’s professional judgment.
- Always screen youth who have unusual circumstances for eligibility under the other independent student categories: youth may not always realize that they may qualify as UHY or that they have qualifying foster care history.
STUDENT INFORMATION

Special Circumstances Qualifications

You may still be eligible for some type of federal student aid without providing parent information. Please read through the following options carefully.

Special Circumstances Option

You must contact the financial aid administrator at the college or career school you plan to attend if you believe you have a special circumstance that should be considered in determining your eligibility for federal student aid.

Some situations that would qualify you to receive federal student aid without providing parent information include the following:

- You have left home due to an abusive or threatening family environment.
- Your parent(s) would pose a risk to you if you contact them.
- You are unable to contact your parent(s) (and you have not been adopted) because they cannot or refuse to communicate with you, or you do not know where they are.
- You are estranged from, or have been abandoned by, your parent(s) and they refuse to provide information on the FAFSA form.
- You or your parent(s) are incarcerated.
- You have been legally granted refugee or asylum status, or your parent(s) have been internally displaced in a foreign country and you are unable to contact them.
- You are a victim of human trafficking.
If student is experiencing homelessness, they are directed to return to that screen instead of pursuing unusual circumstances.

If any of these situations resulted in you not having a safe, stable place to live, you may be considered homeless. If you indicate on the FAFSA form that you are homeless or self-supporting and at risk of being homeless, you will not be required to provide information about your parent(s) and your financial aid administrator will be required to determine whether you meet the criteria for homelessness after you submit the FAFSA form. You can select “Previous” to return to the earlier Student Homelessness Filter Question if you would like to change your answer.

However, not all situations are considered a special circumstance. For example, the following situations would not be considered as a special circumstance on their own without other factors:

- You do not live with your parent(s).
- Your parent(s) does not want to provide you with financial support.
- Your parent(s) doesn't want to contribute to your college expenses.
- Your parent(s) doesn't claim you as a dependent on their income tax return.
- Your parent(s) does not want to provide their information on your FAFSA® form.

Direct Unsubsidized Loan Option

If you do not meet a requirement for a special circumstance and still choose to continue your application without providing parent information, the only type of federal student aid you will be considered for is a Direct Unsubsidized Loan. To request consideration for an unsubsidized loan, you must contact the financial aid administrator at the college or career school you plan to attend.

Select the appropriate option below based on your circumstances.

- I will provide information about my parent(s).
- I have a special circumstance and I am unable to provide information about my parent(s).
- I do not have a special circumstance, and I am submitting my FAFSA® form without parent information to apply for a Direct Unsubsidized Loan only.
**Dependency Overrides for Unusual Circumstances**

For 2023-24, students must:
- indicate an unusual circumstance on the FAFSA and contact the financial aid office to request an override.
- Provide documentation of unusual circumstances in accordance with school policy.
- The FAFSA is not considered complete until the school has made the override, so students will not receive a Student Aid Report until the override has been completed.

**Institutions must:**
- Consider all requests for dependency overrides on a case by case basis.
- Notify students of the school’s process, requirements, and reasonable timeline to review adjustment requests.
- Provide students with a final determination of their dependency status and financial aid award as soon as practicable after reviewing all requested documentation, but no later than 60 days after student has enrolled.
- Retain all documentation, including documented interviews, related to the adjustment for at least 3 years after the student’s last term of enrollment; and
- Presume that any student who has obtained an adjustment for unusual circumstances and a final determination of independence to be independent for each subsequent award year at the same institution unless the student informs the institution that their circumstances have changed or the institution has conflicting information about the student’s independence.
*IN EFFECT NEXT AWARD YEAR (2024-2025)*

Provisional Independent Student Status

- Starting with the 2024-25 Award Year, both initial and renewal applicants who indicate they have an unusual circumstance on their FAFSA form will submit their application under a **provisional independent status**.

- Students will no longer have to wait until financial aid offices have processed their requests for a dependency override before their FAFSA is considered complete.
  - This will allow such applicants to receive a Student Aid Index (SAI) with an estimate of their Federal student aid eligibility, subject to a final determination by their school.

- Schools will have an affirmative obligation to reach out to students who have submitted their FAFSA under provisional independent status to ensure that they have information about how to proceed.
Simplified FAFSA Question on Homelessness

The FAFSA Simplification Act requires the U.S. Department 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.”
- Reminder, questions on the 23-24 FAFSA look the same as previous years.
What questions do you have?

What guidance and tools do you need to implement these new policies?
5 Key Takeaways

1. The 2023-2024 FAFSA is available now! The questions look the same but, many of these provisions are in effect.

2. Homeless and foster care status does not need to be redetermined.

3. Determinations must be made as quickly as practicable.

4. More programs and officials can authorize unaccompanied homeless youth status.

5. For students who cannot provide documentation, financial aid administrators must make homeless and foster youth determinations following the processes outlined in the law - it is not a matter of professional judgment.
Next Year, Next Congress

Administration:
● Will (hopefully) fully implement all the other FAFSA changes
● New formulas also mean more students eligible for Pell, more students will get higher awards (81% will get max Pell)

Congress:
● Divided government: HEA unlikely
● Reintroducing HEASHFY
  o Senator Murray to become Appropriations Chair
  o Rep. Clark to become No. 2 Democrat (behind Leader Jeffries)
● Reintroducing Housing for Homeless Students Act (unless it is added to year-end bill)
● Possible to see modest financial aid increases (Pell)
QUESTIONS
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Resources

- FAFSA Page
  - FAFSA Simplification Act Two-Pager
  - FAFSA Simplification Act One-Pager
- GEN-22-15 ED Guidance
- SHC Higher Education Page
- Strategies for Supporting Immigrant and Migrant Students Exp Homelessness

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