

**REPORT OF THE
COUNCIL OF HIGHER EDUCATION**

**Financial Aid for
Youth in Foster Care**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



SENATE DOCUMENT NO. 9

**COMMONWEALTH OF VIRGINIA
RICHMOND
1994**

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EXECUTIVE SUMMARY

Concerns about the availability of financial support for foster care youth between the ages of 18 and 21 prompted the General Assembly to pass two related resolutions during the 1993 session. First, to address the specific needs of foster care youth "who are successfully attaining educational goals", the General Assembly passed Senate Joint Resolution 322, sponsored by Senator Lousie Lucas, which directed the State Council of Higher Education to "study the feasibility of establishing a college financial aid program for youth in foster care." Specifically, the resolution addressed the following concerns:

1. The cost of higher education continues to rise;
2. Financial pressures are among key factors in the ability of a student to enter college and to graduate; and
3. Students in foster care may be less likely to enroll in college due to cost, a lack of support services and limited knowledge about financial aid and the application process.

A copy of the resolution is provided in Appendix A.

Senator Lucas also sponsored SJR 323 which directed "the Department of Social Services to study the impact of requiring local departments of social services to continue foster care payments and services for youth over the age of 18 who are successfully attaining educational, vocational training, or treatment goals." The current foster care policy allows, not mandates, local social service departments to continue serving youth until age 21 who agree to remain in care and who are participating in educational, training, and treatment programs before the age of 18. The General Assembly passed this resolution when a few localities refused to serve youth over the age of 18.

This report will analyze how foster care youth are being treated in the financial aid application and awarding process, examine the financial aid structure in the state of Virginia, and offer recommendations for improvements within the current system. The recommendations represent guidance from Department of Social Services staff, social workers throughout the state, and foster care youth. They are based on three broad conclusions.

First, the application process for financial aid recognizes that foster care youth are financially independent of their parents. Therefore, only their own income and resources are used in the calculations of financial need. Because the majority of these students have limited resources of their own, their need

for financial aid is higher than those students who are considered dependent on their parents.

Second, foster care youth in college receive an average grant award of \$2,782, compared to the average of \$1,917 for all independent students. Their overall financial aid packages, which include grants, scholarships, work-study, and loans, average \$4,300 while independent students in general only receive \$3,088. Thus, foster care youth tend to receive more financial aid than most students. In addition, the majority of foster care youth receive a monthly stipend from the Department of Social Services.

Lastly, the foster care youth in college who were surveyed reported that the financial aid they received was enough to cover their expenses in most cases, but many expressed confusion about the financial aid application and the process by which aid is actually awarded. Additionally, most of the youth replied that social workers were their main contact for information about financial aid and when contacted, social workers believed that access to financial aid training for themselves and their foster care youth is critical.

As a result, the Council recommends that a separate financial aid program for foster care youth is not needed. But SJR 322 provoked a review that indicates ways in which foster care youth could be better served. The following recommendations are offered to address the specific concerns of foster care youth and the financial aid process.

- I. To increase social workers' knowledge about financial aid and the application process, the Council will
 - work with the Virginia Association of Student Financial Aid Administrators (VASFAA) to provide training opportunities for social workers throughout the state;
 - seek the support of VASFAA to include the social workers in any mailings announcing financial aid activities which currently are being sent only to high school guidance counselors; and
 - provide, with the help of the Virginia Student Assistance Authorities (VSAA), financial aid resource materials to the 124 local social service departments.

- II. To increase foster care youths' knowledge about financial aid and the application process, the Council will
 - work with VASFAA and VSAA to provide financial aid workshops for foster care youth.

INTRODUCTION

During fiscal year 1993, the Department of Social Services had 1,144 18 to 21-year-old youth in foster care. Of the 124 local departments of social services, 109 actually had youth in care who were between the ages of 18 and 21. Most of these agencies continue to serve foster care youth past the age of 18 if the youth agrees to remain in care and is successfully participating in educational, training or treatment programs.

Youth in foster care over the age of 18 live in foster homes, in independent living arrangements, or residential facilities. For youth who remain in foster homes, the monthly payment to the foster parents is \$372. Some youth live on their own in their own apartment, in a boarding arrangement, or college dormitory. These youth can receive an independent living stipend, the maximum amount being \$552 per month. The actual amount of the stipend depends on the youth's other resources and expenses and the local social services agency's ability to pay. Financial aid awarded to a foster care youth is regarded as a resource and the monthly stipend may be adjusted because of it. In addition to the stipend, all youth who remain in foster care receive Medicaid and services they need to prepare them in making the transition from foster care to adulthood.

Many foster care youth have not graduated from high school by age 18. One study of foster care youth found that they are less likely than non-foster youth to be at normal grade level relative to age. In fact, by age 17, only 30% of the foster youth studied were in grade 12 (Gershenson & Kresh, 1986). A survey conducted by the Virginia Department of Social Services in 1991 revealed that significant numbers of foster care youth over 18 were still in high school. The later these youth start college, the less time they have to remain under the care of social services and receive a monthly stipend. Financial aid becomes even more critical for this group.

The lack of a family support system is a critical factor in many foster care youths' development as young adults. Most students in college, even those that may be considered financially independent from their parents, know they can go to their families if they require additional financial assistance, help with completing admission and financial aid documents, or simply a place to stay during the summer and holidays. Foster care youth may be able to seek assistance from their foster families, but those in independent living arrangements are "on their own" at age 18.

The following sections will analyze the financial aid application process, how financial aid is awarded, and the types of federal and state programs that are currently available to all

students within the context of specific concerns to foster care youth. Actual financial aid awards to foster care youth will be compared to those of the general population to determine if they are being treated in an equitable manner. Finally, foster care youth will speak for themselves through the responses to a survey on college plans and financial aid.

THE FINANCIAL AID PROCESS

The Application

A student's eligibility for federal and Virginia state financial aid is calculated using a formula mandated by Congress called the "Federal Methodology." In order to determine eligibility, the student must complete an application for financial aid, which includes information on family income, assets, liabilities, and current expenditures. The application used for federal financial aid is the "Free Application for Federal Student Aid (FAFSA)."

An important factor in determining eligibility for aid is whether the student is classified as a dependent or an independent student. Dependent students are expected to receive support from their parents while independent students are considered for aid based on their own financial status. Federal Methodology utilizes a different concept than age of majority to determine whether parents of a student will be expected to contribute to educational expenses.

For the 1993-94 academic year, an applicant must either be 24 years old prior to January 1, 1994, a veteran of the U.S. Armed Forces, a graduate or professional student, married, a ward of the court or an orphan to be considered independent. Additionally, students with children who receive more than half of their support from the applicant and continue to do so for 1993-94 are also independent.

Most foster care youth are considered wards of the court, thereby ensuring their independent status. Therefore, their parents' income and assets will not be analyzed to determine financial need. The fact that foster care youth are considered independent of their parents and the likelihood that their own income or resources are limited is to their benefit during the application process.

However, a special situation exists for those foster care youth who, upon reaching the age of 18, terminate their association to the Department of Social Services but do not return to their biological families. They will not be considered wards of the court but will also be unable to provide the parental data that will be requested on the financial aid application. In these cases, it is important for the social worker and the foster care youth to contact the financial aid office at the college the youth plans to attend for guidance and assistance. Financial aid officers can use their "professional judgment" to enable the foster care youth to be classified as independent.

Expected Family Contribution (EFC)

From the information provided on the application for financial aid, the Expected Family Contribution (EFC) is calculated to determine how much the family can afford to contribute to educational expenses. If the student is considered dependent on the parents, the EFC will include contribution amounts for the parents and the student. The EFC for independent students includes only the amount the student is expected to contribute. As independent students, foster care youth will be evaluated on their resources alone.

Specifically, the formula used to calculate an EFC for an independent student determines a contribution from available income and a contribution from assets. The contribution from available income is calculated by adding together taxable income and any untaxed income and benefits, subtracting allowances against income (including allowances for federal, state and other taxes, Social Security, income protection and employment expenses) and multiplying this difference by 50 percent. The contribution from assets is calculated by adding together money in the student's savings and checking accounts and the net worth of any investments, subtracting an allowance for asset protection and multiplying this difference by 35 percent. Beginning with the 1993-94 academic year, the student's principal place of residence or the net value of a farm on which the student resides is no longer factored into the EFC formula. Thus, the independent student's EFC is determined by adding together the contribution from income and the contribution from assets. An example of the EFC calculation for a foster care youth is provided in Appendix B.

Financial Need and Awards

The colleges and universities in Virginia use the Expected Family Contribution to determine the student's need for financial aid. They use the following basic formula:

Calculation of Financial Need

TOTAL COST (Tuition, Room and Board, Books, Transportation Supplies, Personal Expenses)	
Less:	Expected Family Contribution
Equals:	FINANCIAL NEED

The total cost for foster care youth will be the same as those for the general student population. However, their total expected family contributions will, on average, be much lower than other independent students. Therefore, their financial need

will be greater, increasing their eligibility for financial aid.

Once financial need is calculated, the colleges and universities can begin the process of awarding aid to students. Because so many of the financial aid programs have limited funds, the financial aid offices at the schools do the best they can in trying to offer each student enough aid to meet financial need.

Current Undergraduate Student Financial Aid

Over 60,000 Virginia undergraduate students at public colleges and universities received over \$190 million in all forms of financial aid in 1991-92 (more recent data is not yet available). The sources of aid included state appropriations, federal grants, institutional grants, academic scholarships, student work programs, guaranteed student loans, and other loans made directly to students. Not reflected in these data were loans to parents to pay for their children's education and other forms of aid, such as private bank loans, earnings from summer jobs, and gifts from other sources.

Of the \$190 million, \$106 million was gift aid -- grants and scholarships that do not require repayment or work. The two largest sources of grants were the federal Pell grant program and the state discretionary aid program. Undergraduate students earned another \$10 million through federal, state, and institutional work-study programs. Students borrowed almost \$74 million to cover their total costs. The largest loan program was the federal Stafford loan program. The tables below show the distribution of aid by type of student and type of school.

Average Financial Aid Awards: Four-Year Public Schools

Type of Award	Type of Student	
	Dependent	Independent
Grants	\$2,637	\$2,640
Scholarships	\$1,976	\$1,725
Work-Study	\$1,074	\$1,282
Loans	\$2,738	\$3,351
Total	\$4,126	\$4,999

Average Financial Aid Awards: Two-Year Public Schools

Type of Award	Type of Student	
	Dependent	Independent
Grants	\$1,344	\$1,512
Scholarships	\$ 761	\$ 698
Work-Study	\$1,118	\$1,189
Loans	\$1,333	\$1,738
Total	\$1,572	\$1,882

FINANCIAL AID PROGRAMS

There are many federal and state financial aid programs currently available to help college students and their families pay for educational expenses. This aid comes in three basic forms: grants, loans, and work-study. Grant programs are provided to eligible students based on demonstrated financial need, academic merit, resident status, and other criteria. Loans are available either to supplement grants or to assist students who do not qualify for a grant. Work-study programs offer students employment opportunities to earn money to contribute to their educational expenses.

Federal Programs

Federal financial aid programs available at Virginia's colleges and universities include two grant programs, four loan programs, and a work-study program. The following table provides the maximum award amount per academic year and the average award amount based on students attending public institutions of higher education during the 1991-92 academic year for the Pell Grant, the Supplemental Educational Opportunity Grant (SEOG), and the Federal Work-Study Program. To qualify for these programs, the student must demonstrate financial need.

Program Name	Type of School			
	Four-Year Public		Two-Year Public	
	Maximum	Average	Maximum	Average
Pell Grant	\$2,300	\$1,630	\$2,300	\$1,252
SEOG	\$4,000	\$1,059	\$4,000	\$ 347
Work-Study	Financial Need	\$1,017	Financial Need	\$1,137

The federal government also offers several loan programs for students: the Perkins Loan, the Stafford Loan and the Parent Loan for Undergraduate Students (PLUS) or the Supplemental Loan for Students (SLS). These are awards that must be repaid by the student or parent, usually after the completion of college. Loans are usually offered to students who did not receive enough gift aid to meet their financial need or to students who were not eligible for any need-based financial aid.

The Perkins Loan is a low-interest loan made through a school's financial aid office. The loans are available to

undergraduate and graduate students who demonstrate financial need. Eligible freshmen and sophomores may borrow up to \$4,500, juniors and seniors up to \$9,000 and graduate/ professional students up to \$18,000. In 1991-92, the average Perkins Loan award was \$1,301 at a four-year public institution and \$1,167 at a two-year public school.

Stafford Loans are federally subsidized or unsubsidized, low-interest education loans made by banks, credit unions, and savings and loans. Subsidized loans are based on financial need and must be repaid by the student, but the interest on the loan is paid by the government while the student is in school. Unsubsidized loans are available to those who do not qualify for a subsidized Stafford loan and the borrower is responsible for paying the interest on the loan while in school or during any authorized period of deferment. The table below provides the loan maximums by student level. If the student borrows both a subsidized and an unsubsidized Stafford Loan, the total loan amount cannot exceed the maximum for that student's level listed in the table.

Stafford Loan Maximums

Student Status	Max Per Year
Freshman	\$2,625
Sophomore	\$3,500
Junior	\$5,500
Senior	\$5,500
5th Year	\$5,500
Graduate	\$8,500

The total debt allowed under the program may not exceed \$23,000 for undergraduates and \$65,500 for graduate students (including undergraduate loans).

In addition to the unsubsidized Stafford Loan, there are two other educational loan programs which are not based on financial need. PLUS loans are available to parents of dependent undergraduate or graduate/professional students, and SLS loans are available to independent undergraduate and graduate/professional students. Because foster care youth are considered independent students, they could obtain a SLS if additional funds were needed. SLS borrowers are eligible to receive up to \$4,000 for the first two years and up to \$5,000 per year for the remainder of their undergraduate degree. Graduate or professional students may borrow up to \$10,000 per year. The total debt allowed under the SLS program may not exceed \$23,000

for undergraduates and \$73,000 for graduate students (including undergraduate loans).

Virginia Programs

The state financial aid programs provide grant and loan programs for needy students, scholarships and fellowships based on merit or service, and a state work-study program to allow students to earn money to contribute toward their educational expenses. These programs are used to augment the federal programs and to address specific needs for Virginians. The major programs are described below.

The discretionary aid program, with an appropriation of \$47.6 million in 1993-94, is the largest state-supported grant program. Funds are appropriated to each institution to provide aid to both graduate and undergraduate students. For undergraduates, this program is awarded on the basis of financial need. Individual awards cannot exceed the amount of tuition and fees. In 1991-92, the average discretionary aid award to an undergraduate student was \$1,431 at the four-year public institutions and \$685 at the two-year schools.

The College Scholarship Assistance Program (CSAP) awards grants to undergraduate students ranging from \$400 to \$2,000. In 1991-92, the average award was \$786 at the four-year public institutions and \$508 at the two-year schools. Each public and private college and university receives an annual allocation from the state for CSAP. The financial aid office at each institution selects the grant recipients and once the funds are depleted, no additional awards can be issued.

Other need-based state grant programs include the Virginia Transfer Grant Program (VTGP), which awards funds to "other race" students who are enrolled in a four-year Virginia public college or university and qualify for entry as first-time transfer students and the Last Dollar Program, which awards grants to "other race" undergraduate students enrolled for the first time in a state-supported college or university in Virginia. Another source of financial aid is the scholarships that are provided by some institutions from revenue sources other than direct federal or state appropriations. These are primarily need-based scholarships provided to Virginia students.

For academically qualified students, the state offers the Virginia Scholars Program (VSP) which is designed to encourage Virginia's brightest high school and two-year college students to attend college in Virginia. The award amount for 1993-94 is \$3,000. And for students attending private institutions, the Tuition Assistance Grant Program (TAGP) is awarded to every student who is a Virginia resident. There is no financial need requirement for this grant. The amount of the grant for 1993-94

is \$1,500.

The state also offers its own work-study program which allows undergraduate and graduate students to earn money to contribute toward educational expenses. There are many other financial aid programs available at Virginia's colleges and universities. They include: Nursing Scholarship Program, Medical Scholarship Program, Rural Dental Scholarships, Virginia Teaching Scholarships, Traineeship for Special Education Personnel, State Law Enforcement Officers Educational Program, State Cadetships, Virginia National Guard, Virginia World War Orphan Education Act, Soil Scientist Program, and Senior Citizens Tuition Waiver.

FOSTER CARE YOUTH AND COLLEGE

Through data provided by the Virginia Department of Social Services, twenty foster care youth who were in college during the 1991-92 academic year were identified. They were enrolled at two and four-year public colleges and four-year private schools as the table below indicates.

Foster Care Youth Enrolled in College, 1991-92

Type of Institution	Number Enrolled
Four-year Public	6
Community College	11
Four-year Private	3
Total	20

Of these 20 youth, 16 returned to college the following year.

Average Financial Aid Awards

For the twenty students identified through data provided by the Department of Social Services, the U.S. Department of Education financial aid application database and the Council's financial aid data were analyzed to determine average financial aid awards for these youth and all students.

These youth received \$3,350 in gift aid (grants and scholarships), \$795 as work-study and \$2,345 in loans on average. The table below compares average financial aid awards of foster care youth to all independent students who received financial aid at public institutions during the 1991-92 academic year. Overall, the foster care students had higher average financial aid awards except in the self-help categories - work-study and loans.

A Comparison of Average Financial Aid Awards

Type of Award	Independent Students	Foster Care Students
Grants	\$1,917	\$2,782
Scholarships	\$ 999	\$2,158
Work-Study	\$1,228	\$ 795
Loans	\$2,913	\$2,345
Total	\$3,088	\$4,300

Financial Aid Applications

The match that was made against the U.S. Department of Education's federal financial aid application database provided the date the application was processed. Because it typically takes four to six weeks to process the application once received, the date the student mailed the application can be deduced. This is important because except for the Pell Grant and the student loans, financial aid funds are limited. Colleges and universities in Virginia encourage students to file their financial aid application as soon after January 1 as possible. Many financial aid funds are awarded on a first-come, first-served basis. Typically, award letters are generated in April or May prior to the academic year. Although some funds may be held back for those students who file their applications later or who are admitted to the school at a later date, it is not the majority of the funds. Therefore, it is critical that students, and especially foster care youth, file for financial aid as soon as possible.

Of the foster care youth who were enrolled in college during the 1991-92 academic year, eight of the twenty, or 40 percent, filed their financial aid applications prior to the end of May. Fifty percent filed their applications after July. Looking at financial aid recipients, specifically grant recipients, as a whole for the same year, over fifty percent had filed their application before the end of May. Less than thirty percent applied for financial aid after July.

Survey

To determine the types of barriers that prevent these foster care youth from attending college and the role that financial aid plays in the process for those who are attending a post-secondary institution, a survey was developed and mailed to all local social service agencies in the state. Ninety-one surveys, representing over 25 agencies were returned. A copy of the survey and accompanying letter are provided in Exhibit C with a breakdown of the responses given for each question.

Of the 28 foster care youth who reported being enrolled in college for the 1993-94 academic year, three are attending a four-year public school, 21 are enrolled in a community college and four are attending a four-year private college. Of the 63 foster care youth who reported that they are not enrolled in college, 32 said they planned to attend college at some point in the future. Fifteen are employed, 12 are enrolled in a vocational or technical school and 3 have mental or physical handicaps that preclude them from employment or college.

Below are general conclusions drawn from the responses given to the financial aid-specific questions on the surveys:

- Social workers served as the foster care youths' main source of contact for information on financial aid and the application process.
- Most foster care youth enrolled in college for the 1993-94 academic year plan to stay in college.
- The majority of the foster care youth who responded to the survey felt that the financial aid they received was enough to cover their costs. Several indicated a need for more money to pay for books, supplies, personal expenses and transportation costs.
- The treatment of the foster care stipend on the financial aid form and the fact that financial aid funds may not be available on the first day of classes were concerns expressed by several respondents.

RECOMMENDATIONS

In response to the conclusions above, the Council makes the following recommendations:

I. Increase the social workers' knowledge about financial aid and the application process.

Because they appear to be the main source of contact for foster care youth, social workers need to be kept up-to-date about financial aid and the application process. This can be accomplished through the following activities:

Training opportunities:

The Virginia Association of Student Financial Aid Administrators (VASFAA) currently offers an annual financial aid workshop to high school guidance counselors. Council staff have arranged with VASFAA to include social workers in the Tidewater area in this year's workshops. They will have the opportunity to attend the high school guidance counselor workshop at either Christopher Newport University or Norfolk State University. This will serve as a pilot project for VASFAA to determine whether it should be done on a state-wide basis.

The social workers in the Tidewater area are very enthusiastic about this opportunity. They will participate in a three-hour workshop and will receive free resource materials. An evaluation form will be sent to all social workers who attend one of the workshops to determine if the experience was valuable and to solicit input for modifications to the workshops. The more knowledgeable the social workers can become about financial aid and the application process, the more effective they can be in counseling foster care youth.

Financial Aid Hotline:

VASFAA also offers a Financial Aid Awareness Month every January along with a toll-free Hotline that is operational Tuesday through Thursday evenings for the last three weeks of the month. Council staff have arranged for the mailing announcing financial aid awareness month and the hotline to be sent to all social workers in the state of Virginia. This will give them the opportunity to share this information with their foster care youth. Social workers and foster care youth can call the Hotline to receive answers to their financial aid questions. The Hotline is staffed by financial aid professionals. VASFAA will be

encouraged to include the social workers throughout the state in any future mailings announcing financial aid activities currently being sent only to high school guidance counselors.

Financial Aid Resource Materials:

The Virginia Student Assistance Authorities (VSAA) provides resource materials about all forms of federal and state financial aid to high schools, colleges and universities, and other organizations who work with students and their families during the financial aid process. The Council of Higher Education produces publications which specifically explain the state financial aid programs. The Council will work with VSAA to provide access to financial aid resource materials to the foster care supervisors and independent living coordinators at the 124 local social service departments.

Additionally, VASFAA will be publishing a Financial Aid Sourcebook within the next six months which lists each public, private and proprietary post-secondary institution in the state of Virginia and gives school-specific financial aid information such as deadlines for filing the financial aid application, what specific financial aid programs are available at that school, and when the student should expect to receive an award letter. The Board of Directors for VASFAA will receive a proposal at its Fall 1993 meeting to include the 124 local social service departments in this mailing. Social workers would be able to access information about any school their foster care youth would like to attend.

II. Increase the foster care youths' knowledge about financial aid and the application process.

Council staff have arranged for a pilot workshop to be held in the month of January for foster care youth in the Tidewater area. The workshop will focus on the following information:

- how to complete a financial aid form; the foster care youth will leave the workshop with a completed form;
- financial aid terms;
- the importance of filing the financial aid application as soon after January 1 of each year as possible;
- the how-to and need for creating a relationship with the financial aid office; and
- the understanding that the financial aid process takes time, effort and organization and that it is the responsibility of the applicant.

The results of the pilot workshop will be evaluated to determine whether this would be an efficient and effective way of helping foster care youth with financial aid.

The activities for social workers described in number I above will also serve to increase the foster care youths' knowledge by enabling the social workers to become better informed.

Finally, the importance of foster care youth completing high school "on time" should be stressed whenever possible. As early as possible, foster care youth need to be given the opportunity to identify themselves as people who can learn. Completing high school by the age of 18 may give foster care youth an additional three years of support from social services while they are in college.

REFERENCES

- Barth, Ph.D, Richard P. "On Their Own: The Experiences of Youth After Foster Care." Child and Adolescent Social Work (October 1990).
- Gershenson, C. & Kresh, E. "School Enrollment Status of Children Receiving Child Welfare Services at Home or in Foster Care." Child Welfare Research Note #15 (1986).
- U.S. Department of Education The EFC Formula, 1993-94.
- U.S. Department of Education The Federal Student Financial Aid Handbook, 1993-94.

SENATE JOINT RESOLUTION NO. 322

Offered January 26, 1993

Requesting the State Council of Higher Education to study the feasibility of establishing a college financial aid program for youth in foster care.

Patrons--Lucas, Howell, Lambert, Marsh, Maxwell, Miller, Y.B., Quayle, Reasor and Saslaw

Referred to the Committee on Rules

WHEREAS, the cost of higher education continues to rise substantially, evidenced by an increase of 14.9 percent in tuition and fees at Virginia's public four-year colleges and universities in 1992-93; and

WHEREAS, financial pressures are among the key factors reported by the State Council of Higher Education in the ability of students to enter college and to graduate; and

WHEREAS, students in foster care may be among those who are least able to access college because of cost, lack of support services, and limited knowledge about application and financial aid procedures; and

WHEREAS, studies have concluded that higher education leads to better outcomes and greater overall self-sufficiency for foster care children and successive generations; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the State Council of Higher Education study the feasibility of establishing a college financial aid program for youth in foster care. The study shall include development of an implementation plan and cost estimates.

The Council shall submit its findings and recommendations to the Senate Committee on Education and Health by November 1993.

EFC CALCULATION FOR A FOSTER CARE YOUTH

Student Income:

1.	Taxable Income	
	a. Adjusted Gross Income	\$ <u>N/A</u>
	b. Income earned from work	\$ <u>2,952</u>
2.	Untaxed Income and Benefits	\$ <u>1,750</u>
	Total Income (#1 + #2):	\$ <u>4,702</u>

Allowances Against Student Income:

1.	U.S. Income Tax Paid	\$ <u>N/A</u>
2.	State/Other Tax Allowance (Total Income x .04)	\$ <u>188</u>
3.	Social Security Tax Allowance (Income earned from work x .0765)	\$ <u>226</u>
4.	Income Protection Allowance (\$3,000 for unmarried student)	\$ <u>3,000</u>
5.	Employment Expense Allowance (\$0 if student is unmarried)	\$ <u>N/A</u>
	Total Allowances (sum of #1-5)	\$ <u>3,414</u>
	Available Income (Total Income less Total Allowances)	\$ <u>1,288</u>
	Contribution from Available Income: (Available Income x .50)	\$ <u>644</u>

Student Contribution from Assets:

1.	Cash, savings and checking	\$ <u>200</u>
2.	Investments, real estate, farm, business	\$ <u>N/A</u>
	Net Worth (#1 + #2)	\$ <u>200</u>
	Contribution from Assets: (Net Worth x .35)	\$ <u>70</u>
	EXPECTED FAMILY CONTRIBUTION:	\$ <u>714</u>



Exhibit C

COMMONWEALTH of VIRGINIA

COUNCIL OF HIGHER EDUCATION

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MEMORANDUM

September 1, 1993

TO: Independent Living Coordinators

FROM: Zita M. Barree
Assistant Coordinator
Financial Aid Programs *ZMB*

SUBJECT: Senate Joint Resolution 322

I am representing the State Council of Higher Education on a legislative study called for in Senate Joint Resolution (SJR) 322. Sponsored by Senator Louise Lucas of Portsmouth, SJR 322 requests the State Council of Higher Education to study the feasibility of establishing a college financial aid program for foster care youth.

Since the legislation has passed, Senator Lucas agreed to combining the findings and recommendations of this study with those developed by the study group for Senate Joint Resolution 323. SJR 323 requests the Department of Social Services to study the feasibility of mandating local agencies to continue serving youth, between age 18 and 21 in care, who are participating in education, training, or treatment between age 18 and 21.

Therefore, the focus of the Council's study will not be on the development of a separate financial aid program. Instead, by conducting surveys of foster care youth, I hope to determine the types of barriers that prevent these youth from attending college and the role that financial aid plays in the process for those that are attending a postsecondary institution.

Yvonne Vaughan, Independent Living Coordinator for the Department of Social Services, provided me with your address so that I could request your assistance with conducting this survey. I have enclosed five copies of the survey. If possible, I would like you to select at least five foster youth (ages 17 and older) and have each complete the survey. Although I understand you will need to evaluate each individual youth's interest in participation, please do not pre-select youth based on their personal experiences. The purpose of this survey is to gather

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SJR 322

data about youth who are in a variety of living and educational/work experiences. You may complete the form for more than five individuals if you would like. Please return the surveys to me **no later than September 24, 1993.**

Please feel free to call me with any suggestions or concerns about these questions. Also, if for some reason you cannot assist with this survey, please notify me. I can be reached at (804) 371-0553. Thanks for your assistance.

Enclosures

cc: Yvonne Vaughan

SURVEY RESULTS

1. a. Are you currently in college?

YES	28
NO	63

For those who replied "Yes" to question #1, the responses to the other questions they were directed to answer are given below.

b. Type of college

Type of Institution	Number Reported
Four-year Public	3
Community College	21
Four-year Private	4

Note: All reported attending Virginia institutions.

c. Year in College

First	20
Second	4
Third	3
Fourth	1

2. How did you find out about college?

The following were given as answers to this question: foster parents, television, brochure, posters, college day, college is the area, pastor, family, friends, research, social worker and high school guidance counselor. High school guidance counselors were mentioned the most.

3. When did you decide to go to college?

Decision Time Frame	Number Reported
Before high school	3
During high school	2
Junior year	3
Senior year	12
After high school	7

Note: This question was left blank on one survey.

4. Did you apply to different schools?

YES	3
NO	24

Note: This question was left blank on one survey.

5. a. Did someone tell you about financial aid?

YES	22
NO	5

Note: This question was left blank on one survey.

b. Who told you about financial aid?

Source of Information	Number Reported
Social Worker	14
High School Guidance Counselor	6
Foster Parent	4
Natural Parent	2
Financial Aid Counselor	1

Note: Several foster care youth reported more than one source.

6. a. Did someone help you complete the financial aid application?

YES	20
NO	6

Note: This question was left blank on two surveys.

b. Who helped you complete the application?

Source of Help	Number Reported
Social Worker	7
High School Guidance Counselor	6
Financial Aid Counselor	4
Foster Parent	3
Natural Parent	2

Note: Several foster care youth reported more than one source.

7. How were your interactions with the financial aid office?

POSITIVE	14
NEGATIVE	3
NEUTRAL	7

Note: This question was left blank on four surveys.

8. What types of financial aid did you receive?

Most foster care youth reported receiving the Pell Grant. Others mentioned SEOG, Work-Study, the stipend from Department of Social Services, and miscellaneous private scholarships.

9. Was the financial aid you received enough to cover your costs?

YES	20
NO	6

Note: This question was left blank on two surveys.

10. Were there any problems with the billing process or receiving your aid?

YES	2
NO	22

Note: This question was left blank on four surveys.

11. Will you stay in college?

YES	26
NO	0
UNDECIDED	1

Note: This question was left blank on one survey.

12. What are you studying?

Foster care youth reported the following for college major or career choices: accounting, animal technician, auto mechanic, business, child daycare, general studies, graphic arts, criminal justice, education, drafting, electronics, occupational therapy, secretarial skills, and nursing.

For those foster care youth not in college, the table below shows their current status.

Status of foster care youth not in college

Status	Number Reported
Enrolled in a technical or vocational school	12
Mental Handicap	3
Employment	15
Plan to attend college in the future	32