Improving Access to Federal Financial Assistance for Homeless and Foster Youth

Student Financial Aid Research Network
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Deborah A. Signer, Ph.D., and Maria Gaona
Senior Analysts
U.S. Government Accountability Office
Our Objectives for Study

• The report addressed three issues:
  1) What is known about college enrollment and completion for youth who have been in foster care or who are homeless
  2) The extent to which challenges identified by researchers and stakeholders affect the ability of foster and homeless youth to pursue college
  3) The extent to which program barriers exist that could hinder these youth from obtaining federal financial assistance for college

• Study requested by Ranking Member, Senate Committee on Health, Education, Labor, and Pensions
Our Methodology

For this study, we:

• Analyzed available data from three Education databases
  o Administrative database (COD)
  o Nationally-representative surveys (NPSAS, BPS)
• Reviewed literature on college outcomes for homeless and foster youth
• Interviewed Education and HHS officials, higher education officials in four states, and experts from national organizations
• Held discussion groups with homeless and foster youth
• Reviewed relevant federal laws and policies
Enrollment Patterns - Foster Youth

- Foster youth who do attend college enrolled at public 2-year colleges to a greater extent than other students

Types of Colleges Attended by Foster Youth & All Other Undergraduates, 2013-2014

Source: GAO analysis of Common Origination and Disbursement System data. | GAO-16-343
Enrollment Patterns - Foster Youth

- Foster youth who do attend college primarily enroll in associate’s degree programs

Comparison of Enrollment of Foster Youth and Other Students in College Degree Programs, by Estimated Percent of Students Enrolled, School Year 2011-2012

<table>
<thead>
<tr>
<th>Enrollment Category</th>
<th>Less than Bachelor’s degree</th>
<th>Bachelor’s degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foster youth</td>
<td>63</td>
<td>53</td>
</tr>
<tr>
<td>Low-income students</td>
<td>59</td>
<td>48</td>
</tr>
<tr>
<td>All other students</td>
<td>52</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2011-2012 National Postsecondary Student Aid Survey data. | GAO-16-343

Notes:
- Percentage estimate is not statistically different from the foster youth estimate at the 95 percent confidence level.
- All foster youth comparisons are statistically significant at the 95 percent confidence level, unless otherwise noted. Percentage estimates for all populations have margins of error of within +/- 10 percentage points.
A lower percentage of foster youth graduated from college compared to all other students.

Comparison of Estimated College Degree Completion Rates within 6 Years of First Enrollment, for Foster Youth and Other Students, as of 2009

<table>
<thead>
<tr>
<th></th>
<th>No degree</th>
<th>Certificate or higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foster youth</td>
<td>72</td>
<td>15 14 29</td>
</tr>
<tr>
<td>Low-income students</td>
<td>57</td>
<td>22\textsuperscript{a} 21\textsuperscript{a} 43</td>
</tr>
<tr>
<td>All other students</td>
<td>49</td>
<td>20\textsuperscript{a} 31 51</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2008-2009 Beginning Postsecondary Students Longitudinal Study data. | GAO-16-343

\textsuperscript{a}Percentage estimate is not statistically different from the foster youth estimate at the 95 percent confidence level.

Note: All foster youth comparisons are statistically significant at the 95 percent confidence level, unless otherwise noted. Estimates have margins of error of within +/- 10 percentage points, except the foster youth estimates. Confidence intervals for these estimates are 58-82% for no degree; 7-26% for certificate/associate’s degree; and 6-25% for bachelor’s degree.
Enrollment Patterns - Homeless Youth

- Unaccompanied homeless youth who do attend college enrolled at public 2-year colleges to a greater extent than other students.

Types of College Attended by Unaccompanied Homeless Youth & All Other Undergraduates, 2013-2014
Enrollment Patterns - Homeless Youth

- Unaccompanied homeless youth who do attend college enrolled in bachelor’s degree programs to a lesser extent than other students

Comparison of Degree Program Enrollment for Unaccompanied Homeless Youth & All Other Students, By Estimated Percent Enrolled, School Year 2011-2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Less than Bachelor’s degree</th>
<th>Bachelor’s degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaccompanied homeless youth</td>
<td>9</td>
<td>59</td>
</tr>
<tr>
<td>Low-income students</td>
<td>11a</td>
<td>48a</td>
</tr>
<tr>
<td>All other students</td>
<td>8a</td>
<td>44</td>
</tr>
</tbody>
</table>

Source: GAO analysis of 2011-2012 National Postsecondary Student Aid Survey data. | GAO-16-343
College Completion - Homeless Youth

- Our literature review found no rigorous studies on the college graduation rates of homeless youth

- Information on homeless youth can be limited because of data collection challenges, such as:
  - Stigma associated with homelessness, and
  - The existence of multiple federal definitions of homelessness

- Beginning this year, Education will have 6 years of data on unaccompanied homeless youth from its BPS survey
Challenges for Homeless and Foster Youth

- Weak academic foundations can hinder ability to attend and succeed in college
  - Student mobility, low grades, remedial college classes
- Limited family and other supports make it difficult for youth to enroll and succeed in college
  - Time, knowledge of school counselors, other professionals
- Financial challenges are exacerbated by youths’ limited awareness of federal and other resources
  - Little targeted information on federal websites
Program Barriers for Unaccompanied Homeless Youth - Federal Student Aid

- Unless foster youth and unaccompanied homeless youth (UHY) are considered financially independent, they must provide financial information from their parents
  - Otherwise, FAFSA application is incomplete and youth will not be eligible for financial aid
- An UHY needs a UHY determination from a federal program official from specific Education, HUD, or HHS programs for independence
- If student does not have a UHY determination from program official, school Financial Aid Administrator (FAA) must determine if youth is UHY and therefore independent
Program Barriers for Unaccompanied Homeless Youth – Complex Federal Student Aid Process

1. Student answers questions on Free Application for Federal Student Aid (FAFSA) form.

   - Student answers “yes”
     - [General screening question to determine homeless status] On or after July 1, 2015, were you homeless or were you self-supporting and at risk of being homeless?
       - Student answers “yes”
         - 56. At any time on or after July 1, 2015, did your high school or school district homeless liaison determine that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless?
           - Student answers “no”
             - 57. At any time on or after July 1, 2015, did the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development determine that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless?
               - Student answers “no”
                 - 58. At any time on or after July 1, 2015, did the director of a runaway or homeless youth basic center or transitional living program determine that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless?
                   - Student answers “no”
                     - Student not considered homeless
                   - Student answers “yes”
                     - Administrator determines student to be homeless
                       - Student submits incomplete FAFSA and must work with college financial aid administrator to obtain determination as an unaccompanied homeless youth.
                     - Administrator does not determine student is homeless
                       - Student not considered independent for federal student aid purposes

2. Student answers “no”
   - Student not considered homeless

Source: GAO analysis of Education’s FAFSA application process. | GAO-16-343
Program Barriers for Unaccompanied Homeless Youth - Federal Student Aid

- According to homelessness organizations and student discussion groups, FAAs
  - Have been reluctant to make UHY determinations
    - Asked personal questions to justify why homeless
    - Have made burdensome documentation requests
- Impact: Missed deadlines, pay upfront, walk away
Program Barriers for Unaccompanied Homeless Youth - Federal Student Aid

- Annual re-verification of homelessness can be a barrier to aid:
  - UHY are required by law to verify homelessness each year
  - Conflicting Education information on UHY determinations:
    - Guidance stated program officials can make UHY determinations if youth getting services/in school
    - But agency said officials can make determinations even if youth not getting services or in school
  - More difficult to obtain documentation in subsequent years

- Federal student aid process presents more barriers for homeless youth than for foster youth
Program Barriers for Foster Youth – Chafee Education and Training Vouchers

- Chafee Education and Training Vouchers for foster youth have age eligibility rule that may limit participation
  - Vouchers may provide up to $5K annually for eligible current or former foster youth to help pay for college
  - Two-part rule:
    - Under current law, if receiving a voucher before youth turns 21, can continue through age 22.
    - But if new applicant is age 21 or 22, not eligible.
  - Foster youth often start college when older, may be unable to pay for school
Recommendations to Agencies

Made six recommendations to Education and/or HHS to improve homeless and foster youth’s access to financial assistance for college, including:

- Studying options for enabling adults to more actively assist these youth with college planning
- Centralizing easily identifiable information on college resources targeted to these youth on Education’s website
- Clarifying Education’s guidance on whether FAAs should accept UHY determination even if youth not in school/receiving services
- Making available an optional form for FAAs to use to document UHY status or encourage the use of existing forms

Based on GAO-16-343
Recommendations to Agencies, continued

• Recommended that agencies consider making legislative proposals:
  o Simplify FAFSA application so that student with an initial determination as UHY will not be required to have status re-verified in subsequent years (Education)
  o Allow foster youth to be eligible for the Chafee ETV Voucher until they turn 23 without also requiring that they start using the voucher before they turn 21 (HHS)

• Some actions taken or planned since report issued
FOR MORE INFORMATION, SEE HIGHER EDUCATION: ACTIONS NEEDED TO IMPROVE ACCESS TO FEDERAL FINANCIAL ASSISTANCE FOR HOMELESS AND FOSTER YOUTH, GAO-16-343 (WASHINGTON, D.C.: MAY 19, 2016) AT HTTP://WWW.GAO.GOV

CONTACTS:
- Deborah A. Signer, signerd@gao.gov
- Maria Gaona, gaonam@gao.gov