

# BRIDGING THE GAP

From Foster Care to College  
Success in New York



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The Community Service Society of New York (CSS) is an informed, independent, and unwavering voice for positive action representing low-income New Yorkers. CSS addresses the root causes of economic disparity through research, advocacy, litigation, and innovative program models that strengthen and benefit all New Yorkers.

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Report Commissioned by



The mission of the coalition is to improve the socioeconomic, health, housing, and educational outcomes for youth in and aging out of care in New York State. The coalition's Steering Committee is comprised of concerned stakeholders from across the state committed to improving policy, programs, and services for youth in and aging out of care in New York.

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## Acknowledgments

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Cover photo by COD Newsroom

# INTRODUCTION

In May 2014, the Fostering Youth Success Alliance (formerly YICC) released its preliminary report, “Fostering Independence: The Need for a Statewide Foster Youth College Success Initiative.” In it, we detailed the low rates of college-going among young people who have spent time in the foster care system in New York; highlighted the challenges that prevent many foster youth from attending and succeeding in college; and examined what states across the country are doing to help foster youth acquire the necessary post-secondary education to lead promising, independent lives. We found that New York is well behind the curve in providing meaningful financial, educational, and social supports to foster youth in college, and recommended investment in a statewide college success initiative for all its foster youth.

In our initial report, we discussed some of the unique challenges that thousands of New York foster youth face as they enter young adulthood. The instability of multiple home and school placements, a lack of emotional and financial support from parents, and the prospect of aging out of the foster care system at age 21 with no support system are just some of the barriers that prevent many foster

youth from reaching their potential. Many youth—particularly those from low-income families and communities—face significant challenges as they transition to independence, especially when it comes to accessing post-secondary education. Foster youth, who have been removed from their homes through no fault of their own and have grown up as wards of the state, are most urgently in need of public investment to help them overcome these challenges.

In this document, we present the specific components of an initiative to directly address the major challenges that stand in the way of foster youth succeeding in college. The state has an obligation to provide such opportunity to young people in its care. At the same time, it is well known that responsible investments in education will yield public returns. Learning from the examples of other states, as well as programs here in New York, we have developed a proposal that will enable foster youth in New York to obtain the necessary financial aid and supportive services they need to increase their rates of college enrollment, retention, and graduation. We also present an analysis of how, at a fiscal level alone, the benefits of investing in such a program far outweigh its costs.



## Review of Fostering Independence: The Need for a Statewide Foster Youth College Success Initiative

Our initial research report found that foster youth face significant barriers to college enrollment, retention, and graduation. These include widely divergent levels of information about applying to college; overly complex financial aid processes and packages that usually fall short of meeting foster youths’ unique financial aid needs; and a lack of on-campus support, leading to poor rates of college completion. Although all disadvantaged students face similar challenges, foster youth do not have a parent or supportive adult to help them navigate these complex systems. Quantitative data that we examined outlined a troubling picture of foster youth college outcomes; the voices of foster youth themselves further illustrated the urgent need for action.

# PROPOSAL BLUEPRINT

This blueprint presents a summary of the Fostering Youth Success Alliance (FYSA) proposal for a state-funded foster youth college success initiative, as well as a brief overview of our cost-benefit analysis for such a project. The body of this report provides extensive detail for each aspect of our proposal.

## 1. What would a strong statewide college success initiative for foster youth look like in New York?

### Key Program Components

- ▶ Website offering pre-college information
- ▶ Summer transition program for all participating students
- ▶ On-campus support for all participating students:
  - Advisement and coaching—the core of the program, each student will have a designated advisor, who is experienced with foster care issues and assisting students to navigate college
  - Tutoring and academic assistance—advisors will direct students to existing campus resources, and additional help when necessary
  - Transition and aging-out support from advisors, particularly in the areas of housing and employment

### Financial Aid Assistance

- ▶ Comprehensive financial aid, covering all tuition and living expenses, filling in any gaps left by existing public resources (such as TAP, Pell, and ETV)
- ▶ A simple, straightforward process, requiring minimal paperwork for foster youth
- ▶ Emergency fund for crisis situations

### Participant Eligibility

- ▶ Open to young people who have spent at least one year in foster care after their 13th birthday
- ▶ Youth must begin using services by age 25
- ▶ From the point they enroll in the initiative, students are eligible to receive services for a maximum of 6 semesters (Associate's degree) or 12 semesters (Bachelor's degree). Students must remain in good academic standing.

### Program Administration

- ▶ A lead organization designated as statewide administrator: provides technical assistance to colleges, manages website, approves use of emergency funds
- ▶ Advisory board developed, made up of participating colleges, child welfare agencies, experts in the field, and participating students
- ▶ Lead organization and advisory board will ensure a standardized set of core services across colleges, while allowing for creativity in additional programming at individual schools

## 2. What would be the net fiscal impact of such a program?

### Costs and Benefits to New York State

#### Program Costs

The program includes two components: a financial aid package that will cover the full cost of college enrollment and on-campus supports for 375 new students each year. We estimate that the first year cost of the program will be \$2,917,328 for the initial cohort of 375 students. As new cohorts are added, we calculate the number of students will rise to 1,216 in Year 6. The total cost of the program at full capacity (in Year 6 and beyond) would be \$8,607,099, per year. This figure also represents the total cost of one cohort over six years.

#### Program Benefits

To determine the fiscal benefits of the program, we examine the changes in employment, earnings, tax contributions, and public expenditures that result in more students earning their Associate's or Bachelor's degree. Using existing data and assumptions from related research, and a conservative goal of increasing the graduation rate to 40 percent for students in two-year programs and 50

percent for students in four-year programs, the program would yield 96 graduates from a four-year program and 74 graduates from a two-year program from a cohort of 375 students. This means an additional 58 four-year graduates and an additional 37 two-year graduates.

Each additional Associate Degree obtained would be responsible for an additional \$155,629 in tax revenues and public expenditure savings; each additional Bachelor's degree would be responsible for \$387,255 in increased tax revenues and public expenditure savings over the lifetime of each participant.

This increase in the number of graduates means that an investment of \$8,607,099 would yield a present value savings from increased tax revenues and decreased public expenditures of \$28,219,063 for a present value net fiscal benefit of over \$19.6 million.

#### Net Fiscal Benefits (benefits minus costs)

### Fiscal Benefit of College Success Initiative, 375 Person Cohort

			Degree Completers Without Intervention	Degree Completers With Intervention	Additional Degrees	Present Value Fiscal benefit Per Additional Degree	Total Present Value Fiscal Benefit
<b>Benefits</b>		<b>Two-Year Students</b>	37	74	37	\$155,629	\$5,758,273
		<b>Four-Year Students</b>	38	96	58	\$387,255	\$22,460,790
		<b>Total</b>					<b>\$28,219,063</b>
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	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Total Cost</b>
<b>Cost</b>	\$2,917,328	\$2,098,989	\$1,596,798	\$1,035,754	\$648,131	\$310,099	\$8,607,099
<hr/>							
<b>Savings</b>							<b>\$19,611,964</b>

# PROGRAM COMPONENTS & FINANCIAL AID

## **Pre-college information**

Pre-college information should be made available to all foster youth through a website specifically designed to assist with questions about college preparation, application, and enrollment. New York should also work to create a web-based system that allows foster youth to fill in their financial aid information only once in applying for the common forms of financial aid for foster youth: the Tuition Assistance Program, Pell Grants, and Educational and Training Vouchers.

## **Pre-enrollment summer transition program**

As part of the foster youth college success initiative in New York, all foster youth should be eligible to participate in a free summer college preparation program, designed to assist students to develop the habits of mind needed for college, prepare them to navigate on-campus systems, and provide preparation in reading, writing, and mathematics to students who need it.

## **On-campus support**

Supports for youth once they are enrolled and on campus would consist of three sets of services: advisement; tutoring and academic assistance; and transition and aging-out support.

### *Advisement*

At the core of New York's college success initiative for foster youth will be an assurance that every foster youth will have an on-campus advisor. This individual would serve as the individual point-of-contact and continuous source of personal support. The advisor's role would include providing one-on-one services to foster youth at both regular and drop-in meetings; acting as the hub of existing on-campus supports; assisting in managing crises through advocacy and ad-hoc use of a defined set of emergency resources.

### *Tutoring and academic assistance*

Along with strong advisement, tutoring and academic support is a core component of almost every program aimed at improving the post-secondary educational outcomes of students facing academic and other challenges. Advisors would refer foster youth to existing on-campus tutoring

and academic support resources. For those students who require extra help, advisors would manage a contract with a private tutoring provider, who would be available for a percentage of program participants.

### *Aging-out and transitional supports*

The two most critical components to a young person's transition out of foster care are securing housing and employment. As part of New York's College Success Initiative for foster youth, advisors should have relationships with both campus-based employment and internship offices, as well as job placement organizations off campus, so that they can help young people find employment and internships while they are at school and as they prepare to graduate. Similarly, the advisor must be able to work with a young person to ensure their housing needs are being met, particularly as they prepare to age out of care.

## **A comprehensive financial aid package and a simple application process**

A key goal of the initiative would be to make financial aid as simple and comprehensive as possible. Foster youth should be able to simply receive the proper paperwork from their social service agency and present it to any public college to have tuition, fees, and year-round housing costs covered. The university would collect the amount they would normally receive from social service agencies for foster boarding payments as well as Pell, TAP, and ETV payments. Students would then receive a stipend for indirect college costs such as books, transportation, and personal expenses. That amount would come from the state, using any leftover Pell, TAP, and ETV money, if any remains after covering tuition and housing costs. If a foster youth attends a private school, they would be awarded funding up to the amount it costs to attend a four-year SUNY school.

## A. How Financial Aid Will be Determined

		SUNY 4-Year	SUNY 2- Year	CUNY 4-Year	CUNY 2-Year
<b>a</b> Direct Costs, to be waived	Tuition and fees	\$7,582	\$4,646	\$6,495	\$4,915
	Housing	\$12,020	\$9,730	\$10,386	\$10,386
	<b>Total</b>	<b>\$19,602</b>	<b>\$14,376</b>	<b>\$16,881</b>	<b>\$15,301</b>
<b>b</b> Direct costs already covered by State or through aid, to be kept by University	Maximum foster boarding rate for 12 months	\$8,340	\$8,340	\$8,952	\$8,952
	Average Pell	\$3,743	\$3,743	\$3,743	\$3,743
	Average TAP	\$5,101	\$4,033	\$5,106	\$4,471
	Average ETV	\$4,198	\$2,719	\$3,546	\$2,505
	<b>Total</b>	<b>\$21,382</b>	<b>\$18,835</b>	<b>\$21,347</b>	<b>\$19,671</b>
<b>c</b> Direct Costs remaining, to be covered by new program, or, if negative, reimbursed to student (a-b)					
		\$-1,780	\$-4,459	\$-4,466	\$-4,370
<b>d</b> Indirect costs (books, transportation, personal expenses, etc.), to be covered by stipend to student					
		\$3,740	\$3,710	\$9,598	\$9,598
<b>e</b> New Cost to State per student (c+d)		<b>\$1,960</b>	<b>\$500</b>	<b>\$5,132</b>	<b>\$5,228</b>

Direct and indirect costs for college are taken from the CUNY and SUNY websites for the Fall 2014–2015 school year. Maximum foster boarding rates come from an OCFS Administrative Directive, effective July 1, 2012 thru June 20, 2013. Average Pell grants are for all Pell Grant recipients in the state of New York for the 2012–2013 school year and were retrieved from the website of the National Association of Independent Colleges and Universities (data are for students at all types of institutions); average ETV grants in New York were calculated based on data provided to the authors by Foster Care to Success, the state’s ETV administrator, with separate data for CUNY/SUNY schools and two and four-year programs (for the 2012–2013 school year); and average TAP grants were taken from the New York State Higher Education Services Corporation’s 2012–2013 annual report, with separate data on CUNY/SUNY schools and two- and four-year programs (for the 2011–2012 school year); and average TAP grants were provided by the New York State Higher Education Services Corporation for the 2014–2015 year specifically for students in foster care.

The table shows that SUNY two-year students, on average, receive enough financial aid to cover their tuition costs, after recent legislation significantly increased the maximum TAP award for foster youth. However, for students who do not receive sufficient aid, we have allotted an additional \$500 per SUNY two-year student as new costs to the state.

## B. How the Financial Aid Process Will Work

WHO	Provides	Receives
<b>Foster Youth</b>	<ul style="list-style-type: none"> <li>Through a one-stop website, foster youth completes single application for Pell, TAP, and ETV funding</li> <li>After receiving documentation from social service agency, foster youth submits form to university allowing them to be waived from tuition, fees, and on-campus housing costs</li> </ul>	<ul style="list-style-type: none"> <li>Check from university covering indirect college costs, including any leftover ETV/TAP/Pell money not used to cover tuition, fees, and housing</li> </ul>
<b>Local Social Service Districts</b>	<ul style="list-style-type: none"> <li>Documentation to foster youth proving their eligibility for New York State College Success Initiative</li> <li>Foster boarding rate payments to university (or off-campus housing landlord)</li> </ul>	<ul style="list-style-type: none"> <li>List from State of all foster youth eligible for program</li> </ul>
<b>University</b>	<ul style="list-style-type: none"> <li>Check to student covering indirect costs, including leftover ETV/TAP/Pell money</li> </ul>	<ul style="list-style-type: none"> <li>Documentation proving student eligibility from foster youth</li> <li>Boarding payments for student on-campus housing from local social service districts</li> <li>ETV/TAP/Pell payments</li> <li>Payment from State to cover indirect costs not covered by leftover ETV/TAP/Pell money</li> </ul>

### Emergency fund for students in crisis

Foster youth do not have the financial support that many young people in college take for granted when unexpected costs arise. When young people face a family illness or death, their own medical emergency, the theft of necessary belongings, or the loss of a job or childcare, they may need financial assistance that they are not able to access. As part of New York's College Success Initiative, a separate pool of money should be raised from the private sector and put into an emergency fund for foster youth in college.

### Participant eligibility

In New York, students who were in foster care for at least one year after their 13th birthday should be eligible for funding and services under the College Success Initiative. And rather than putting a limit on when students must finish, youth should be eligible as long as they begin using services by the time they are age 25. From the point they begin using services they will be eligible for 6 or 12 semesters (at community or senior colleges, respectively). Students will have to remain in good academic standing at their university with a minimum GPA of 2.0 to continue to receive funding and services.

### Administration

In order to ensure successful and seamless implementation, New York should designate an organization to be the lead statewide administrator of the programmatic components of the college success initiative. This organization should convene an advisory board of representatives from all or most participating colleges to oversee the program. The advisory board should also include representatives of child welfare agencies, participating students, and other relevant experts and stakeholders. This board would be responsible for approving all services provided as part of the program. There should be room for creativity, including public-private partnerships, so individual campuses are encouraged to provide additional components of the program that they feel would be most appropriate at their school and most beneficial to its students. The lead organization will also be responsible for managing data collection, evaluation, monitoring, and public reporting of program participation and outcomes. Data will include enrollment, retention, and graduation outcomes.

# COST-BENEFIT ANALYSIS OF A COLLEGE SUCCESS INITIATIVE FOR FOSTER YOUTH

## Program Costs

The program includes two components: a financial aid package that will cover the full cost of attendance for foster students, and on-campus supports that will help students succeed once they arrive on campus.

First, we look at the first-year cost of one 375 person cohort. The table below shows the cost of the financial aid component of the program.

### First-Year Cost of Financial Aid Component for 375 Person Cohort

	Share of ETV Recipients (A)	Total Program Cohort (B)	Cohort at Type of Program (C) = (A x B)	Extra Financial Aid Needed (D) (from table on X)	Total Financial Aid Needed (E) = (c x d)
SUNY 4-year	17%	375	63	\$1,960	\$123,480
SUNY 2-year	20%	375	75	\$500	\$37,500
CUNY 4-year	13%	375	48	\$5,132	\$246,336
CUNY 2-year	24%	375	89	\$5,228	\$465,292
Private 4-year	22%	375	82	\$1,960	\$160,720
Private 2-year	5%	375	18	\$500	\$9,000
<b>Total</b>					<b>\$1,042,328</b>

The table below shows the estimated cost per student of the various components of the program.

### First-Year Cost of Program Component for 375 Person Cohort

Program Component	Annual Cost per Cohort	Annual Cost per Student
Website Design & Maintenance	\$10,000	\$26.67
Summer Immersion Program	\$375,000	\$1,000
Advisement	\$937,500	\$2,500
Referral Services	\$187,500	\$500
Outside organization contract(s), including management, TA, etc.)	\$350,000	\$933.33
<b>Total:</b>	<b>\$1,860,000</b>	<b>\$4,960</b>
<b>Total, Rounded up:</b>	<b>\$1,875,000</b>	<b>\$5,000</b>

The tables above show us that for the first-year of the program, for an initial cohort of 375 students, the cost will be \$1,042,328 for financial aid and \$1,875,000 for supportive programming, for a total of \$2,917,328.

The table below shows the cost of the program over the course of six years when factoring in retention and graduation rates of each cohort.

### First-Year Cost of Financial Aid Component for 375 Person Cohort

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (and all subsequent years)
Cohort 1	\$2,917,328	\$2,098,989	\$1,596,798	\$1,035,754	\$648,131	\$310,099
Cohort 2		\$2,917,328	\$2,098,989	\$1,596,798	\$1,035,754	\$648,131
Cohort 3			\$2,917,328	\$2,098,989	\$1,596,798	\$1,035,754
Cohort 4				\$2,917,328	\$2,098,989	\$1,596,798
Cohort 5					\$2,917,328	\$2,098,989
Cohort 6						\$2,917,328
Total # of Students	375	375 new + 310 returning	375 new + 546 returning	375 new + 699 returning	375 new + 795 returning	375 new + 841 returning
<b>Total</b>	<b>\$2,917,328</b>	<b>\$5,016,317</b>	<b>\$6,613,115</b>	<b>\$7,648,870</b>	<b>\$8,297,000</b>	<b>\$8,607,099</b>

■ First year for new cohorts      ■ Final year for first cohort

As the table above shows, the full cost of the program, with six participating cohorts is \$8,607,099. This figure is also equal to the cost of one cohort through an entire six years. The cost of the program for Years 7 and beyond will be equal to the cost of Year 6.<sup>1</sup>

### Summary of Revenue and Cost Savings

To determine the fiscal benefits of the program, we examine the changes in employment, earnings, tax contributions, and public expenditures that result in more students earning their Associate’s or Bachelor’s degree. We know that increased levels of educational attainment correspond with increases in employment and earnings, which leads to greater tax revenue and reductions in public expenditures.

The table on the next page looks at the total fiscal gains to the public per associate degree compared with only a high school diploma, and per Bachelor’s degree compared with a high school diploma.

<sup>1</sup> Estimates of retention and graduation were made using data from related and similar initiatives. For a full accounting for how these numbers were calculated, see Appendix B in the full report.

### Total Fiscal Benefit per Degree (present value at age 23)

	Additional Associate's	Additional Bachelor's
Tax Revenue	\$109,039	\$326,513
Medicaid Savings	\$11,053	\$13,930
Public Assistance Savings	\$4,834	\$9,511
Criminal Justice Savings	\$30,703	\$37,301
<b>Total Fiscal Benefit</b>	<b>\$155,629</b>	<b>\$387,255</b>

For every student who receives an Associate's degree as opposed to only having a high school diploma, the present value of the fiscal benefits to the public is \$155,629. For every additional Bachelor's degree, the present value of public fiscal benefit is \$387,255.

### Fiscal Benefit of College Success Initiative, 375 person cohort

	Degree completers without intervention	Degree completers with intervention	Additional degrees	Present Value Fiscal benefit per additional degree	Total Present Value Fiscal Benefit
Two-year students	37	74	37	\$155,629	\$5,758,273
Four-year students	38	96	58	\$387,255	\$22,460,790
Total					\$28,219,063
Investment					\$8,607,099
<b>Savings</b>					<b>\$19,611,964</b>

An investment of \$8,607,099 would yield a present value savings from increased tax revenues and decreased public expenditures of \$28,219,063 for a present value net fiscal benefit of \$19.6 million. This should be viewed as a conservative estimate. We do not take into account many forms of savings, including Medicare and other forms of public health savings. We also do not consider New York City taxes. And these savings exist when we set a goal of a 40 percent completion rate for Associate's degree students and 50 percent for Bachelor's degree students; if we were to exceed that goal, the savings would increase.

It is clear from this analysis, that even if we adjust our estimates in either direction, the college success initiative has the potential to have a very strong positive public fiscal impact. And many of the impacts to the individual and their family from obtaining a college degree simply cannot be measured. With a college degree, these young people will be ready to be productive members of society, living in safer neighborhoods, and sending their children to better schools. Higher degrees of educational attainment have been proven to lead to better health outcomes, greater rates of marriage and family formation, and other positive, lifelong impacts that are, in some cases, unquantifiable. To view the full report, visit [www.fysany.org](http://www.fysany.org).

# **FOSTERING** **YOUTH** SUCCESS **ALLIANCE**

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