

# **Fostering Independence Through Education Act: A Cost Estimate**

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Based on past enrollment trends, the following is estimated:

Number of students using the waiver: Between **392** and **866**

Number of schools incurring costs: 8

Total cost to schools waiving tuition: Less than one million dollars

*Please note the following:*

This estimate is based on enrollment in non-private institutions in Pennsylvania. The current version of the Fostering Independence Through Education Act includes private institutions as well. This paper does not address the financial impact to these schools whose costs and resources are variable.

Chafee eligibility was utilized as one of the primary sources of available data to predict qualification for the proposed tuition waiver. However, there will be a limited number of youth who are not eligible for Chafee funding that would qualify for tuition waivers under the Fostering Independence Through Education Act.

### Executive Summary

**The following information is needed to** determine the cost to implement the Fostering Independence Through Education Act: 1) the number of youth who would enroll and be eligible for the proposed waiver, 2) in which institutions are the students most likely to enroll, and, 3) the net tuition cost of each of those institutions (after accounting for state and federal financial aid).

The Commonwealth of Pennsylvania does not have a tracking mechanism in place to determine the number of youth with experience in foster care who would be eligible for, or likely to use, a tuition waiver under the proposed bill. Since no exact data exist, our estimates derive from existing databases and extrapolations of current information.

Based on past enrollment trends, we conclude that no fewer than **392** students and no more than **866** students would take advantage of the proposed tuition waiver annually.

Using these estimates, we determined **the minimum cost, maximum cost, and most likely cost** of the proposed tuition waiver bill at the state and school level. Calculation of the minimum cost assumes each of the eligible students who choose to enroll in higher education receives the maximum award for federal and state grants and attend the least expensive school

covered by the proposed bill. In this scenario, the cost would be zero as the state and federal grants would fully cover tuition.

In the most costly and unrealistic case scenario, if all 866 students attended Pennsylvania State University-University Park and each of them only received the minimum total allowable amount of \$1,192 for federal and state grants, the statewide annual tuition waived would be \$14.9 million or \$24.7 million if room and board are also covered by the bill.

However, students utilizing the proposed waiver will most likely attend various schools across the state and receive a range of grant amounts depending on their individual circumstances. By analyzing average grant amounts, we determine that only eight schools would incur costs by the tuition waivers with minimal expense. With the previous statement in mind, the Fostering Independence Through Education Act will likely cost less than a million dollars each year in total for all schools included in the legislation. With the inclusion of room and board, the potential cost rises to a range of \$1.03 million to \$5.66 million. These annual cost estimates are the totals for all students on a tuition waiver at all schools across Pennsylvania.

<b>Estimated statewide annual cost:</b>	392 students	866 students
Minimum cost	\$0	\$0
Minimum cost including room & board	N/A <sup>1</sup>	N/A
Maximum cost	\$6.76 million	\$14.9 million
Maximum cost including room & board	\$11.2 million	\$24.7 million
Most likely cost	\$319,000	\$704,000
Most likely cost including room & board	\$1.03 million	\$5.66 million

**Introduction**

The number of students with experience in foster care who attend college or university is not currently tracked by any system for Pennsylvania once these persons leave the child welfare system. Due to this limitation, there is no exact count of the number of students who would be eligible for, or likely to use, a tuition waiver under the Fostering Independence Through Education Act. This paper describes the best possible estimates of how many waivers would be accessed and the ultimate cost of the bill’s implementation, both at large and per school.

**Section I: Estimate of the Number of Annual Tuition Waiver Awards the Tuition Waiver Legislation would Generate in Pennsylvania**

This section aims to estimate how many children and young adults in Pennsylvania would take advantage of the Fostering Independence Through Education Act if the legislation was enacted.<sup>2</sup> These estimates are based on data reported by the Pennsylvania Higher Education

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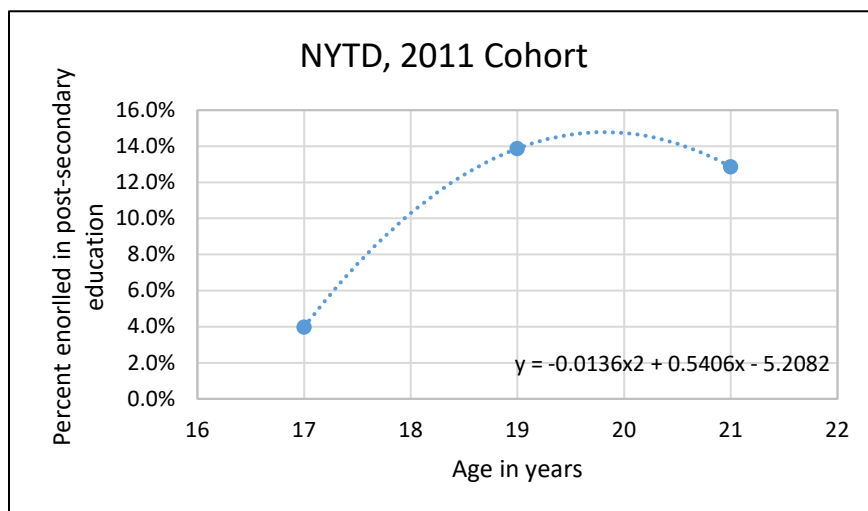
<sup>1</sup> The least expensive institution does not offer room and board on campus options

<sup>2</sup> Eligibility for the Act requires a youth have been in foster care for at least 6 months after the age of 14.

Assistance Agency (PHEAA), the National Youth in Transition Database (NYTD), states with tuition waivers already in place, Kids Count Data Center, and published research.

According to numerous studies, between 7% and 13% of youth with experience in foster care enroll in higher education,<sup>3</sup> although high estimates indicate that 31% to 45% of foster youth will matriculate into college at some point.<sup>4</sup> It is well-documented that most will not make it to graduation,<sup>5</sup> with the sum percentage of foster youth who attain a bachelor’s degree ranging by study from 3% to 10%.<sup>6</sup>

The lower enrollment statistics are in line with the results of Wave 1 of the NYTD Survey tracking a cohort of foster youth who were 17 years old in 2011. By 2013, the percentage of youth enrolled in college peaked at 14%.<sup>7</sup> Students included in the NYTD data set include all young adults with any experience in foster care and college attendance. Not all of these students would qualify for the tuition waiver under the proposed Pennsylvania law.



The Pennsylvania Chafee Education and Training Grant Program provides grants of up to \$5,000 to foster youth and alumni and has similar, though slightly more narrow, requirements to those in the proposed tuition waiver legislation.<sup>8</sup>

According to PHEAA, 8,356 people met the foster care eligibility requirements for the Chafee grant for the 2018 to 2019 academic year. However, only 813 students applied during the 2018-2019 academic year, and only 429 ultimately met all of the criteria and received the grant. It is not known in each case which criteria were not met for those who applied but did not earn funding. For example, an eligible youth may not have applied before one’s 21<sup>st</sup> birthday or matriculated at an

<sup>3</sup> Emerson, J., & Bassett, L. (2010). Supporting success: Improving higher education outcomes for students from foster care. Seattle, WA: Casey Family Programs.

<sup>4</sup> <http://www.fostercareandeducation.org/OurWork/NationalWorkingGroup.aspx>

<sup>5</sup> <https://www.gao.gov/products/GAO-16-343>

<sup>6</sup> <http://fosteringchamps.org/wp-content/uploads/2018/04/NationalEducationDatasheet2018-2.pdf>

<sup>7</sup> National Youth in Transition Database (NYTD) - Outcomes File, Cohort Age 17 in FY2011, Waves 1-3

<sup>8</sup> <https://www.pheaa.org/funding-opportunities/other-educational-aid/chafee-program.shtml>

eligible institution, or an application may have been received for a youth who was in fact, not eligible.

Even if 14% of the eligible group did, in fact, attend college or university that would equate to approximately 1,170 students annually. This estimate includes students attending trade schools, private schools, and schools out-of-state. When excluding these students, as they would not receive a tuition waiver under the Fostering Independence Through Education Act, the number of possible tuition waivers decreases to **866**. Further, 14% only indicates the expected percentage of students who enroll in higher education, not those who remain for all four years and graduate. It can reasonably be expected that the total would be much lower.

Over the past five years, the number of Pennsylvania Chafee grant recipients averages **392**<sup>9</sup> students receiving funding each year. The number of applicants to the Chafee grant is typically much higher than the eventual number of recipients.

There is no cap on the number of recipients for the grant. While not all youth and young adults with experience in foster care apply for the Chafee grant, this is the closest predictor to the number of students who would be eligible or take advantage of the proposed tuition waiver.

The percentage of Chafee recipients who will attend trade schools or colleges out of state will not be eligible for the tuition waiver. The breakdown of the 2016-2017 Chafee grant recipient institutions was as follows:

Table 1: Chafee grant awards by school type, 2016-2017

Type of University	Number of Students	Percent of students
Public	144	39%
Private	52	14%
Community College	132	35%
Trade	23	6%
Out-of-State	21	6%

Twenty-two states have already implemented tuition waiver programs for youth and young adults with experience in foster care that expands from partial scholarships to full tuition and room and board.<sup>10</sup> Despite the increasing opportunities for this population, the number of student recipients remains low. In Washington, where their Passport to College program offers up to an additional \$4,500 for college and college-related fees (including room and board), only 340 students applied and received scholarships.<sup>11</sup> In New Jersey, the NJFC Scholars Program has supported 2,649 students since 2003 which is equivalent to less than 200 students each year.<sup>12</sup> Maryland’s tuition waiver has one of the most expansive eligibility requirements, much less restrictive than proposed in Pennsylvania, and yet only 106 students received tuition waivers.<sup>13</sup> When adjusting the Maryland

<sup>9</sup> PHEAA Annual Reports [http://www.pheaa.org/about/pdf/Annual\\_Report.pdf](http://www.pheaa.org/about/pdf/Annual_Report.pdf)

<sup>10</sup> Hernandez, Day, & Henson, 2017

<sup>11</sup> <https://readysetgrad.wa.gov/college/passport-foster-youth-promise-program>

<sup>12</sup> <http://foster-care-newsletter.com/njfc-scholars-program-celebrates-15th-anniversary/#.XIagzShKjcs>

<sup>13</sup> Hernandez et al., 2017

numbers to compensate for Pennsylvania’s higher numbers of total foster youth, the number of tuition waivers would be approximately 413 students.<sup>14</sup>

A comparison of the overall foster care population of states with tuition waivers to the number of waivers actually provided by that state provides an opportunity to extrapolate an estimate on the number of tuition waivers that would be necessary for Pennsylvania. The table below shows a summation of Hernandez, Day, & Henson’s 2017 study on tuition waivers.

Table 2: Summary of other state tuition waiver programs

State	Number of Youth in Foster Care ages 0 to 17, 2015	Number of Waivers	Percentage of kids 0-17 in care and using waiver	Waiver Terms
MD	3734	106	2.8%	In care at age 18; adopted or entered guardianship at 13 or older (includes siblings of eligible youth).
NC	10,022	335	3.3%	Ward of the state and eligible for ETV.
OK	10,880	129	1.1%	In care at least 9 months between ages 16 and 18.
MA	10,266	353	3.4%	In care at age 18 or older (6 mos); adopted from care.
AZ	17,737	53	.2%	In care at age 16 or older or adopted from care at that age.
TX	30,427	3,195	9.5%	In care at age 18, adopted or reunified with a parent after 14, graduated from high school or enrolled in dual credit program while in care.

In sum, the number of youth who utilize tuition waivers is a very small percentage of a state’s overall foster care population, ranging from .2% to 3.4%, with Texas being an outlier of

<sup>14</sup> <https://datacenter.kidscount.org/>

having 9.5% of their foster care population receiving tuition waivers.<sup>15</sup> In 2015, Pennsylvania had 14,853 children between the ages of 0-17 in foster care. Using the percentages seen in other states, we would predict that between 29 and 505 youth would utilize a tuition waiver.<sup>16</sup>

**Section II: Estimates of Tuition Waiver Costs**

Costs are calculated using the estimated number of waivers discussed previously and subtracting grants that students would also qualify for. Below lists the federal and state grants for which students applying for the tuition waiver would most likely also be eligible. These grants are included since the bill requires applicants to apply for all other grants before receiving the tuition waiver. Award amounts are those most recently published and publicly available. Each amount listed is the annual award granted to each individual student.

Table 3: Federal and State grants

Grant Name	Maximum Award	Average Award	Minimum Award
Pell Grant <sup>17</sup>	\$5,920.00	\$4,010.00	\$592.00
FSEOG <sup>18</sup>	\$4,000.00	\$752.00	\$100.00
PA State Grant <sup>19</sup>	\$4,123.00	\$3,150.00	\$500.00
Chafee Grant <sup>20</sup>	\$5,000.00	\$4,152.00	\$0.00
<b>Total</b>	<b>\$19,043.00</b>	<b>\$12,064.00</b>	<b>\$1,192.00</b>

If all eligible students receive the maximum award for federal and state grants, institutions will be fully compensated and will not need to implement any tuition waivers when evaluating only tuition costs.<sup>21</sup> If students receive the average award, only eight schools will incur losses of tuition monies. These are the eight most expensive public and state-related schools included in the tuition waiver bill.

Table 4: Annual cost in tuition loss by school for **392 total tuition waivers**, if each student on a waiver receives the average grant award (using 2016-2017 Chafee enrollment data)

School	Number of students (% of total tuition waivers)	Waiver cost per student	Total Annual Cost
The Pennsylvania State University <sup>22</sup>	20 (5.1%)	\$6,372.00	\$127,626.04

<sup>15</sup> Hernandez et al., 2017

<sup>16</sup> It is unlikely that PA would have 9.5% of its foster care population attending college, but if it did, that would be 1,385 students.

<sup>17</sup> [https://www.nasfaa.org/uploads/documents/2017\\_national\\_profile.pdf](https://www.nasfaa.org/uploads/documents/2017_national_profile.pdf)

<sup>18</sup> [https://www.nasfaa.org/uploads/documents/2017\\_national\\_profile.pdf](https://www.nasfaa.org/uploads/documents/2017_national_profile.pdf)

<sup>19</sup> <http://www.pheaa.org/about/pdf/state-grant-yby.pdf>

<sup>20</sup> <https://www.pheaa.org/about/pdf/handbook-legislators.pdf>

<sup>21</sup> All cost estimates assume students are PA residents as required by the tuition waiver bill

<sup>22</sup> The Pennsylvania State University cost estimates are based off of the University Park tuition costs; the number of students is for all The Pennsylvania State University campuses

University of Pittsburgh	4 (1.1%)	\$6,128.00	\$26,301.20
Temple University	19 (4.7%)	\$3,124.00	\$58,101.84
Lincoln University	6 (1.5%)	\$10,353.00	\$59,246.36
Thaddeus Stevens College of Technology	6 (1.5%)	\$766.00	\$4,383.53
Indiana University of Pennsylvania	26 (6.6%)	\$185.00	\$4,764.09
Shippensburg University of Pennsylvania	7 (1.8%)	\$654.00	\$4,678.25
California University of Pennsylvania	11 (2.9%)	\$2,920.00	\$33,420.15

Table 5: Annual cost in tuition loss by school for **866 total tuition waivers**, if each student on a waiver receives the average grant award (using 2016-2017 Chafee enrollment data)

School	Number of students (% of total tuition waivers)	Waiver cost per student	Total Annual Cost
The Pennsylvania State University	44 (5.1%)	\$6,372.00	\$281,949.37
University of Pittsburgh	9 (1.1%)	\$6,128.00	\$58,104.18
Temple University	41 (4.7%)	\$3,124.00	\$128,357.64
Lincoln University	13 (1.5%)	\$10,353.00	\$130,886.10
Thaddeus Stevens College of Technology	13 (1.5%)	\$766.00	\$9,684.03
Indiana University of Pennsylvania	56 (6.6%)	\$185.00	\$10,524.74
Shippensburg University of Pennsylvania	16 (1.8%)	\$654.00	\$10,335.11
California University of Pennsylvania	25 (2.9%)	\$2,920.00	\$73,831.24

With the addition of room and board to the tuition waiver legislation, the costs for each school increase above the grant allotments. These costs are annual and include all students projected to attend each institution. Again, these estimates assume all Chafee grant applicants would attend a public institution covered by the tuition waiver when historically 74% have done so and the remaining 26% have attended private, trade, or out-of-state schools. The number of students attending each school was extrapolated based off on Chafee Grant awards from the 2016-2017 academic year from all years of undergraduate education. Pennsylvania Highlands Community College and Mansfield University of Pennsylvania were not evaluated because they each had zero students receiving the Chafee grant attending during the utilized year.



Table 6: Annual cost by school with room and board included for 392 tuition waivers

School	Number of students/ waivers	Total Annual Cost (max grant award per student)	Total Annual Cost (average grant award per student)
The Pennsylvania State University	20	\$213,771.62	\$353,555.39
University of Pittsburgh	4	\$46,057.14	\$76,010.80
Temple University	19	\$151,485.11	\$281,284.32
Lincoln University	6	\$74,611.62	\$114,549.84
Thaddeus Stevens College of Technology	6	\$17,093.49	\$57,031.71
Montgomery County Community College	7	\$0	\$19,750.22
Northampton County CC	19	\$0	\$95,298.92
East Stroudsburg University of Pennsylvania	13	\$16,236.53	\$106,097.52
West Chester University of Pennsylvania	11	\$3,239.01	\$83,115.45
Cheyney University of Pennsylvania	6	\$2,329.11	\$42,267.33
Edinboro University of Pennsylvania	13	\$31,082.45	\$120,943.45
Slippery Rock University of Pennsylvania	9	\$16,798.77	\$76,706.10
Bloomsburg University	9	\$16,094.89	\$76,002.22
Clarion University of Pennsylvania	7	\$46,861.17	\$96,783.94
Lock Haven University of Pennsylvania	7	\$22,139.42	\$72,062.19
Kutztown University of Pennsylvania	24	\$66,104.93	\$235,842.36

Millersville University of Pennsylvania	6	\$43,360.35	\$83,298.57
Indiana University of Pennsylvania	26	\$136,845.20	\$316,567.18
Shippensburg University of Pennsylvania	7	\$55,087.45	\$105,010.22
California University of Pennsylvania	11	\$70,125.08	\$150,001.52

Table 7: Annual cost by school with room and board included for **866 tuition waivers**

School	Number of students/ waivers	Total Annual Cost (max grant award per student)	Total Annual Cost (average grant award per student)
The Pennsylvania State University	44	\$472,260.77	\$781,068.79
University of Pittsburgh	9	\$101,748.68	\$167,921.82
Temple University	41	\$334,658.43	\$621,408.73
Lincoln University	13	\$164,830.77	\$253,061.64
Thaddeus Stevens College of Technology	13	\$37,762.66	\$125,993.52
Montgomery County Community College	16	\$0	\$43,631.86
Northampton County CC	41	\$0	\$210,532.82
East Stroudsburg University of Pennsylvania	28	\$35,869.47	\$234,388.91
West Chester University of Pennsylvania	25	\$7,155.56	\$183,617.28
Cheyney University of Pennsylvania	13	\$5,145.43	\$93,376.29
Edinboro University of Pennsylvania	28	\$68,666.85	\$267,186.28
Slippery Rock University of Pennsylvania	19	\$37,111.58	\$169,457.87
Bloomsburg University	19	\$35,556.57	\$167,902.86
Clarion University of Pennsylvania	16	\$103,524.93	\$213,813.50
Lock Haven University of Pennsylvania	16	\$48,910.04	\$159,198.61
Kutztown University of Pennsylvania	54	\$146,037.94	\$521,019.10

Millersville University of Pennsylvania	13	\$95,790.98	\$184,021.84
Indiana University of Pennsylvania	57	\$302,316.18	\$699,355.05
Shippensburg University of Pennsylvania	16	\$121,698.28	\$231,986.86
California University of Pennsylvania	25	\$154,919.18	\$331,380.91

### **Conclusion**

In the most costly scenario, if all 866 students attended the most expensive university and received only the minimum total allowable amount for federal and state grants, the highest statewide annual estimate for the tuition waiver bill cost would be \$14.9 million in waived tuition. If room and board were included and if every student only received the minimum total allowable amount for federal and state grants the cost would become \$24.7 million annually. This is unrealistic as students attend various institutions and receive varying financial aid packages.

The least expensive outcome would occur if only the minimum number of students, 392, all attended the least expensive school and received the maximum grant award. This scenario would not incur any cost for the schools because the existing federal and state grants would cover all tuition costs. The least expensive schools are community colleges that do not offer on-campus room and board.

In sum, the number of youth likely to take advantage of a tuition waiver ranges from 392 to 866. The expected cost to each institution depends on the number of eligible students who attend that particular school. Those students on the tuition waiver would most likely receive at least the average amount for the federal and state grants required by this bill. With the previous statement in mind, the Fostering Independence Through Education Act as a tuition waiver only will likely cost less than a million dollars each year in total for the entire state. If room and board were included it would cost between \$1.03 million and \$5.66 million. These cost estimates are the totals for all students on a tuition waiver at all schools across Pennsylvania.