



Federal Financial Aid

for Incarcerated Students



SECOND CHANCE
EDUCATIONAL ALLIANCE

Financial Aid Eligibility Basics

In order to be approved for federal financial aid, all prospective students must:

- be a US citizen or a permanent resident
- have a high school diploma or recognized equivalent
- enroll in an eligible postsecondary prison program
- complete the FAFSA
- not already possess a bachelor's degree
- not have fraudulently obtained Title IV funds that have not been repaid
- not be in default on any Title IV student loans
- not have an overpayment of Title IV grants and loans
- make Satisfactory Academic Progress (make good enough grades and complete enough classes to demonstrate movement toward successfully completing their degree)

Types of Financial Aid

There are many different types of federal financial aid ("Title IV"), such as:

- **Pell Grants** - Means-tested federal grants for postsecondary which don't normally have to be repaid
- **Federal Work Study** - Allows students to earn money for school by working part-time
- **GI Bill** - Federal program which pays for schooling, supplies, and some living expenses for qualifying veterans
- **Loans** - Student loans help pay for schooling but must be repaid with interest according to the loan terms
- **Supplemental Educational Opportunity Grant (SEOG)** - Additional grant money awarded to students with demonstrated need

FAFSA Simplification Act

In the past, incarcerated students have either been outright banned from receiving federal financial aid or faced extra barriers to eligibility.

The FAFSA Simplification Act, going into effect officially on July 1, 2023, lifts some of these obstacles for justice-impacted students. The FAFSA Simplification Act will:

- allow incarcerated students who meet the regular eligibility requirements to access Pell Grants for postsecondary education
- allow applicants with drug-related convictions to qualify for federal student aid
- remove Selective Service registration requirement
- require the ED and DOJ to provide technical assistance to incarcerated students



What Is the Pell Grant?

- a means-tested federal grant for college students given out on a yearly basis that is based upon: a school's tuition, your EFC, and the number of credits you enroll in per award year
- changes every award year but currently ranges from \$650 to \$6,345 as of 2020-2021
- has a lifetime eligibility cap of 600% of your annual award amount (i.e. the equivalent of six years of receiving 100% Pell Grant)

Institutional Eligibility

The school you attend must meet their own requirements in order for you to use the Pell Grant:

- be a public or private nonprofit college designated by the Department of Education
- not have any severe actions against them by the DOE, their state, or their accrediting agency
- be approved to operate by your states Department of Corrections OR the Federal Bureau of Prisons
- ensure that the credits from their program transfer to at least one institution in the state that they are located for institutions that are operating within the Federal Bureau of Prisons
- meet applicable licensure requirements in the state that they are located; this is meant to ensure that career-oriented programs take into consideration any barriers incarcerated students might face in getting licensed after their release
- comply with a number of reporting requirements, including annual reports as well as reports on how incarcerated students fare one, three, and five years after their release

A school that meets these requirements may still be ineligible if, in the last complete award year:

- more than 50% of their courses are correspondence courses
- 50% or more of their regular enrolled students are enrolled in correspondence courses
- more than 25% of their regular enrolled students are incarcerated
- more than 50% of their regular enrolled students do not have a high school diploma or equivalent
- they don't provide either a two-year associate degree or four-year bachelor's degree program

How to Apply

Fill out the FAFSA

The FAFSA (Free Application for Federal Student Aid) is the application all students must fill out in order to be considered for federal student aid. It can be accessed and submitted the following ways:

- by mail (you can call 1-800-433-3243 to request a paper application); the Federal Student Aid Programs address is listed on the application
- online at studentaid.org/fafsa (if you are no longer incarcerated at the date of your application)
- myStudentAid mobile app (if you are no longer incarcerated at the date of your application)

Make sure you meet the deadline

The application processing cycle lasts 21 months. For instance, for the 2021-2022 award year, applications are accepted beginning October 1, 2020, and will be accepted through June 30, 2022.

Sign and return your SAR

When your application is processed, you may receive a Student Aid Report (SAR) in the mail outlining the results of your application.

Ask the school how they plan to handle the need for any student signatures.

Know Your Rights

You have rights as an incarcerated student. As of July 1, 2023 or earlier, you cannot legally be denied federal student aid for any of the following reasons:

- incarceration in a federal or state facility OR county/local jail
- incarceration in a juvenile detention facility
- drug related convictions
- the length of your sentence
- your number and type of convictions

Filling Out the FAFSA

The FAFSA can seem overwhelming at first. Here's a breakdown of its basic parts to help you prepare:

1. General Information

This information will include your full legal name, social security number (SSN), contact information, residency and citizenship, marital status, gender, prior education, and convictions.

- for your permanent mailing address, give the address of the facility you're in
- if you are a citizen of the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau, write "666" as the first three digits of your SSN and leave the rest blank; you will be assigned an identification number which you will need to use on all future applications
- for transgender students, the CPS recommends indicating your sex assigned at birth in order to prevent issues confirming your identity within the FAFSA processing system

2. Income and Assets

This section will inquire about your income and assets from the most recently completed tax year. If you are married, you will need to include information about your spouses' income and assets. Since you are incarcerated, you will not need to provide information about your parents' income and assets.

3. Dependency Status

It is expected that incarcerated students will be automatically categorized as *independent* under the FAFSA Simplification Act.

Prior to implementation, students are considered *independent* if they:

- were born before January 1, 1998
- are married as of the date they apply
- will be a graduate or professional student when the award year starts
- are currently serving on active duty for purposes other than training
- are a veteran of the U.S. Armed Forces
- have dependents other than a spouse
- were an orphan, foster child, or ward/dependent of the court at any time since the age of 13
- are an emancipated minor, in legal guardianship, or were at the age of majority in their state
- were determined at any time since July 1, 2020 to be an unaccompanied youth who was homeless or self-supporting and at risk of being homeless

4. Parents' Information

This information is only necessary for students who are deemed *dependent*.

The latest information from the Department of Education is that the FAFSA Simplification Act will allow incarcerated students to be automatically categorized as *independent* students.

It is not expected that you will need to provide any of your parents' information after the new act is implemented, which can happen at any point over the next two years.

5. Independent Student's Information

You will need to know:

- your household size, including you, your spouse (if they live in the household), your children if they receive more than half of their support from you and your spouse (regardless of where they live), and anyone who lives in the household and receives more than half their support from you
- number of people in your household who are enrolled in college at least half time, including you
- receipt of means-tested financial benefits by anyone in the household
- information regarding dislocated (unemployed or underemployed) workers in the household

6. School Information

On your FAFSA form, you can list schools you would like to receive your FAFSA information. You can list up to four schools on a paper application and are required to list at least one. You'll need to know:

- the school's full name, address, city, and state

OR

- each school's federal school code, which may be difficult for you to find out without internet access

7. Signatures

When you've filled out all the necessary information and double-checked it for accuracy, you must sign and date the FAFSA form before submitting. Here are all the signatures your form must include:

- your signature
- if your FAFSA form is prepared by a paid FAFSA preparer, they must sign and include their name, address, and/or company name and address, as well as their SSN or company's EIN

8. Submission

After signing and obtaining any other signatures needed, it's time to submit your FAFSA form! Assuming you are still incarcerated at the time of application, you will need to call 1-800-433-3243 to request a printed form and mail it to the address listed on your application.

How Are the Funds Handled?

You will not receive any federal student aid funds directly.

- the student aid funds are sent directly to your school, so you never have to worry about how you'll get the federal funds to the school
- you are responsible for keeping up with your school's course add and drop dates
- if you need direct financial help to pay for textbooks and other supplies not already made available to you, you are responsible for seeking additional funding to cover those items

Remaining Hurdles

There are still some obstacles to equal opportunity for incarcerated students.

- while you are no longer federally banned from receiving federal financial aid, schools and correctional facilities aren't legally mandated to give you equal access and opportunity to seek and use your benefits
- access to approved education programs can be tied to the location of your correctional facility, so it may be challenging to find an approved program near you
- know your rights under the new FAFSA Simplification Act so you are equipped to advocate for yourself as much as possible; keep this booklet as a reference; if there is a program you would like to see in your facility, speak with facility staff responsible for volunteer or professional partner approval

You can't go to just any school.

- schools aren't legally required to accept incarcerated students
- the school you attend must be approved to operate within correctional facilities under the State Department of Corrections or Federal Bureau of Prisons and meet all federal criteria for Pell Grants

Federal student aid doesn't always cover all your expenses.

- all federal grants have caps on the amounts they can award an individual, so it can be tough to receive enough funding to cover all your education expenses, even if you qualify for maximum funding
- incarcerated adults still don't have equal access to student loans, putting even greater emphasis on the need for student financial aid
- you can still also apply for state financial aid; in some states, your FAFSA form will automatically be used to determine eligibility for state grants





Terms You Should Know

Academic Year: An academic year is one complete school year, or two regular semesters. For schools that have a year-round program, nine months is considered an academic year.

Award Year: Period from July 1 of one calendar year to June 30 of the next calendar year.

Default: Default is failure to repay a loan outlined in the agreed promissory note. It can result in legal consequences and a loss of eligibility for additional federal student aid.

Department of Education (ED): A federal department tasked with establishing policy for and administering most federal education assistance, maintaining educational data, and enforcing federal educational laws.

Department of Justice (DOJ): A federal executive department tasked with the enforcement of federal law and administration of justice in the United States.

Expected Family Contribution (EFC): A measure of how much you/your family is expected to contribute to the cost of your education in the eyes of the federal government based on household income and assets.

FAFSA: The Free Application for Federal Student Aid is an application the federal government uses to determine a family's eligibility for grants, work study, and loans for postsecondary education.

Family/Household Size: Household size does not mean people who physically live with you. It's about who you support financially. If you do not financially support anyone, you will just put 1 for yourself.

Federal Pell Grant Program: The Pell Grant is the largest federal grant program offered to undergraduates. It is designed to assist students from low-income households. To qualify for a Pell Grant, a student must demonstrate financial need by completing and submitting the FAFSA form.

Federal Student Aid: Federal student aid is aid from the government in the form of grants, loans, and/or work-study to assist students with college or career school. Students have to complete the FAFSA form to apply for this aid.

Financial Aid: Financial aid is money to help pay for college or career school.

Gainful Employment: Broadly, gainful employment is a steady job with consistent pay. In terms of financial aid, an education program must demonstrate itself to prepare students for gainful employment to qualify for federal funding.

Grant: A grant is a monetary gift for people pursuing higher education. It is often based on financial need and does not need to be repaid (unless, for example, you withdraw from school and owe a refund).

Gross Income: Gross income is your total income before deductions.

Job Placement Rate: A school's job placement rate is the percentage of graduating students who obtained employment in their field or a closely related field within a determined period after receiving their degree/certificate.

Lifetime Eligibility Used (LEU): The sum of the percentages of your Federal Pell Grant scheduled awards that you received for each award year. In other words, your LEU is the proportion of your lifetime cap you have already been awarded in Pell Grants.

Retention Rate: A school's retention rate is the percentage of its first-time students who return for a second academic year.

Scholarships: Scholarships are gifts that don't have to be repaid and are meant to help pay for schooling.

State Aid: Some states offer their own financial assistance to eligible residents to help reduce educational costs. Some state aid is first come, first served, so complete your FAFSA form as early as possible.

Tuition: Tuition is the amount you owe for receiving instruction from your school.

Transfer Rate: A school's transfer rate is the percentage of its students who transfer to another institution.

Undergraduate: An undergraduate is one who is pursuing an associate or bachelor's degree or certificate.

Workforce Innovation and Opportunity Act (WIOA): Federal legislation aimed at helping those with significant barriers to employment prepare for and find high-quality jobs and careers.

Questions to Ask Schools

You have the right to expect quality, support, and equal treatment from your university.

As schools seek to provide programs inside your facility, you can and should ask questions to make sure they're the correct fit and will support your education and post-release goals.

Here are some questions you might ask them:

- What do your graduates go on to do after completing their degree?
- Do your justice-impacted students find work in their field of study?
- What percentage of your students graduate in 8 semesters? 10 semesters?
- What are your first to second year retention and persistence rates?
- Does your school's admission application have a question about criminal convictions?
- Do formerly incarcerated students have to go through a separate admission process to enroll on campus?
- Are formerly incarcerated students welcome on your campus?
- What support or wraparound services do you provide for justice-impacted students?
- How long has your school been offering programming to incarcerated students?
- What is your institution's motivation to start offering programs inside prisons?
- Do you have a clearly articulated credential pathway I can review?
- Will my credential come from your institution or one of your partner institutions?
- What makes your institution stand out/unique?



Second Chance Educational Alliance, Inc aims to provide formerly incarcerated men and women with the tools necessary to become fully engaged and contributing citizens.

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