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Subcommittee on Work and Welfare

Aging Out is Not a Plan: Reimagining Futures for Foster Youth

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Good morning, Chairman LaHood, Ranking Member Davis, and all members of this subcommittee. Thank you for convening today for this important conversation addressing support for older foster youth.

My name is Maggie Stevens and I serve as the President and CEO of Foster Success - an Indiana based nonprofit organization supporting older foster youth across the country through programs, resources, and advocacy. Our mission is to hear, support, and empower teens and young adults transitioning out foster care on their journey to self-sufficiency and we do this through a holistic and individualized approach with each person and each community informing how we work with them.

This morning, I would like to share how Foster Success works with young people transitioning out of foster care AND how we collaborate with state agencies to effectively and efficiently administer Chafee funding - specifically in support of Educational Success and Financial Empowerment programs.

However, before I tell you more about *how* we work, I want to tell you *about* the people we have the opportunity to support every day. We align our definition of older foster youth with many others by identifying anyone between the ages of 14 - 26 years of age who spent a day or more in foster care at, or after, 14 years of age as part of the population we support.¹ In Indiana, this represents 24,000 Hoosiers. This includes individuals who are reunified with their family, are adopted, are placed in kinship care, and those who turn 18 in the custody of the state. Indiana has a robust extended foster care program and Foster Success works with young people who opt into that program as well as those who choose not to.

¹<https://www.aecf.org/work/child-welfare/jim-casey-youth-opportunities-initiative#:~:text=The%20Jim%20Casey%20Initiative%20works,as%20they%20transition%20into%20adulthood.>

Working in Partnership with State Agencies

As I mentioned, we are an Indiana - based nonprofit organization and our roots and our deepest programming is in Indiana where we currently administer 5 contracts for the Indiana Department of Child Services (DCS), 4 of which are funded through Chafee funds. These are:

1. Indiana Youth Advisory Board (IYAB) - This youth informed and led board provides resources and space for young people to develop leadership and advocacy skills, build relationships with their peers, and inform the policy and practice of the Indiana Department of Child Services.
2. National Youth in Transition Database (NYTD) - Foster Success administers the data collection and reporting for the federally required survey of 17, 19, and 21 year olds who have aged out of foster care. The Administration for Children and Families (ACF) utilizes data from this survey to track the outcomes of young people and the services they have engaged in.
3. The Chafee ETV program supports young people aging out of foster care with human and fiscal resources as they pursue their postsecondary education goals. Sole Source Contract focused on supporting Financial Empowerment programming

Additionally, we administer the state funded Insuring Foster Youth Trust Fund, to support young people in accessing their driver's license and affordable auto insurance - both of which are necessary for most Hoosiers to work, go to school, and raise a family.

We also partner with other state agencies to ensure that we are able to influence all of the systems that surround Indiana Department of Health and the Division of Mental Health and Addiction to leverage additional funding sources to support older foster youth.²

Educational Success

Foster Success began administering the Chafee Education and Training Voucher (ETV) program for Indiana in 2012. The program was established in 2001 by Congress as part of a reauthorization of the Promoting Safe and Stable Families Act. This Act amended the Foster

² These programs are funded by the Substance Abuse and Mental Health Services Administration (SAMHSA)- Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG) - Community Block Grant and the Health Resources and Services Administration (HRSA) - Title V Maternal and Child Health (MCH) Services Block Grants

Care Independence Act (FCIA) of 1999 by adding the Chafee ETV Program to the Chafee Foster Care Independence Program (CFCIP).³

Since 2012, Foster Success has increased engagement with students and streamlined the process to better support young people in their transition into and through their postsecondary career. Recent research suggests that for young people who age out of foster care, only 8 - 12% will complete a postsecondary credential.⁴ However, after tracking the 6 year completion rate for Indiana students who started college in 2015, 2016, and 2017 and participated in the ETV program, we found that more than 30% of those students had completed a postsecondary credential. The success of these students in attaining their educational goals is anchored in the combination of providing timely and accessible human and financial support..

1. Supporting Students. Foster Success offers holistic support that includes application assistance, coordination with college financial aid and bursar offices, and monthly educational coaching. We also engage in reengagement strategies for students who have paused their education, offering guidance and resources to help them return. Our staff live in the communities they support—providing localized and responsive assistance. This approach has made a measurable difference in helping the older foster youth with whom we work access, persist, and succeed in higher education.
2. Streamlined Processes. With strategic investments in technology, we have streamlined a process that once took six weeks from application completion to disbursement of funding and support to a process that now takes two weeks or less. The CRM that we have invested in allows for real-time tracking, communication, and coordination amongst and across students, state employees, higher education employees, and our staff.

In 2023, building on this youth centered and streamlined process, Foster Success began administering the ETV program in Arizona, Maryland, and Ohio. Across our work in Indiana, and these three additional states, Foster Success has tripled the number of students our team supports (from an average of 300 students / year to more than 900 students in the fiscal year ending June 30, 2024).

³<https://search.issuelab.org/resource/the-chafee-educational-and-training-voucher-program-six-states-experiences.html>

⁴ <https://journals.sagepub.com/doi/full/10.1177/23328584251331454>

Education Success Stories

Indiana Congressional District 2

This past year, Indiana Congressional District had 19 students enrolled in its local colleges and universities who were accessing support from the ETV program. One of these students, Kayla*, a student at Indiana University - South Bend has demonstrated remarkable growth over the past two years, both academically and personally. After struggling with a 0.0 GPA in Spring 2023 while enrolled in four courses, she has shown steady and impressive progress—earning a 1.7 GPA in Spring 2024, a 2.92 GPA in Fall 2024 (across five courses), and a 3.66 GPA in Spring 2025 while successfully managing a full course load of six classes. This upward trajectory reflects not only academic improvement, but also increased resilience and confidence. Kayla has consistently engaged with support services, met with her college coach in six of the past seven months, and has been open about her experiences with social anxiety. Over the past two years, —transitioning from avoiding class participation to actively contributing to and even helping to lead class discussions. She also has maintained a mix of in-person and online classes, with notable improvement in her in-person class attendance. Additionally, she balanced her academic responsibilities while working two on-campus jobs during the spring semester. In a recent reflection, Kayla shared, “I feel more confident now; I learned a lot thanks to my work with and the coaching I’ve received from Foster Success.”

Ohio Congressional District 7

Ohio Congressional District 7 also had 20 students utilize ETV funds and support last year. After previously having to withdraw from college due to significant transportation barriers, Cuyahoga County Community College student, Jacque,. Re-enrolled in Fall 2024 with the goal of getting her education back on track. She began working closely with our Education Coordinator, completing her academic success plan and building a foundation for sustained progress. Through consistent monthly meetings and one-on-one coaching, she was able to access campus and community resources that helped her stay focused and supported. Her hard work is paying off - she completed her most recent semester with a 3.0 GPA, a milestone she is incredibly proud of.

Ohio Congressional District 15

Twenty students in Ohio Congressional District 15 pursued college degrees last year with support from ETV funding and staff. James, a Southern State University Student, reached out about the Education and Training Voucher with very little knowledge of the financial aid

process.. Through continuous communication and support from his Foster Success Coach,, they were able to work together to identify where the gaps of understanding were. He was able to understand the process enough to effectively go back to his financial aid office with clear and concise questions to advocate for himself. Once he felt confident, he reached out to his younger sister to get her connected to Foster Success and ETV. With this new understanding of financial aid, he was able to support his sister through the process and avoid the delays and misunderstandings that he had. With the support of a coach to help navigate the sometimes intimidating systems in higher education, both James and his sister are now enrolled in college and pursuing their degrees.

Improving Educational Success Outcomes through Chafee and Chafee ETV

The way young adults access and navigate the world has changed significantly over the past quarter century and it's time to revisit the way that Chafee and Chafee ETV in light of these changes and the demands on today's young adults. By the time we celebrate the 30th anniversary of these programs, we must:

1. **Rethink the funding limits allowed for each year of education in light of the increased Cost of Attendance to attend college today.** This past semester (Spring 2025) across students from all four states where we work,
 - a. The average cost of attendance was \$14,199.64
 - b. The average tuition cost was- \$4,508.81
 - c. The average cost of attendance minus tuition was \$9,690.84

For a student who attends school in only the fall and spring semester, these costs would double and the \$5000 ETV support / academic year does not come close to meeting these costs. Since the Education and Training Voucher Program was introduced in 2001, the average cost of tuition at a public, four-year institution has tripled.⁵ This only accounts for tuition expenses and not other items calculated in the Cost of Attendance (books, transportation, housing, child care, and other miscellaneous expenses)⁶ that also has increased. With the increased tuition and Cost of Attendance across the country, even in states where state financial support is available, we are not covering the costs of postsecondary education for students. In the Spring 2025 semester, Foster Success found that the average unmet need for students with whom we work was \$7,819.31.

⁵ <https://educationdata.org/average-cost-of-college-by-year#2000>

⁶ <https://studentaid.gov/help-center/answers/article/what-does-cost-of-attendance-mean>

2. **Expand the definition of qualified education and training programs where young people can use their ETV funds to include programs in the trade and technical career pathways.**
3. **Revisit how funds are distributed to states.** Currently this is based on the total number of youth in foster care - regardless of age or eligibility for these programs
 - a. As Indiana celebrated a decrease in the number of youth in foster care between FFY 2018 - 2023, we saw a continued increase in the number of older foster youth eligible for participation in the Chafee funded programs. However, because the number of youth in care decreased, funding for Chafee ETV decreased by 15% over this time.
4. **Remove ambiguity from policy and practice. Set best practice policy recommendations.** As with any legal code that has been updated overtime, it is critical to review the John H. Chafee Foster Care Program for Successful Transition to Adulthood (42 USC 677)⁷ and ensure that states have consistent and clear understanding of who is eligible for participation and how funds may be used. Specific recommendations include:
 - a. Omitting 42 USC 677 (i) (2) to more clearly allow all young people who were in foster care at or after 14 years of age to benefit from ETV support.
 - b. Ensuring that all state ETV administrators calculate the unmet need of education costs prior to requiring students take out federal or private loans.

Financial Empowerment

Foster Success believes financial literacy isn't just about numbers. It's about empowering young people with lived experience in foster care to achieve their goals and build the future they want.. Financial Empowerment programming at Foster Success includes three programs focused on providing financial literacy education AND resources to help young people build their financial stability and achieve their goals. The three core programs to this Impact Area include :

1. Online Financial Modules are online, self paced modules that teach financial management basics and include information including banking, budgeting, consumer skills and insurance.
2. Opportunity Passport® helps participants manage their finances, save and access matching funds for housing or other assets.
3. Credit Build allows participants to save \$300 while building their credit score. Improved credit scores help participants secure stable housing.

⁷ <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title42-section677&num=0&edition=prelim>

In Indiana, we combine Chafee Funds with private contributions to support delivering these programs to eligible individuals. Over the past two fiscal years, Foster Success has supported an average of 378 young people each through our Financial Empowerment programs, distributing an average of more than \$128,000 to those who successfully completed them.

Opportunity Passport®

Opportunity Passport® is a financial education and matched savings program designed to help older foster youth gain the knowledge and skills that they need to achieve their goals as they transition from foster care to adulthood. Beginning with the *Keys to Your Financial Future* curriculum - a curriculum developed specifically for older foster youth by the Annie E. Casey Foundation's Jim Casey Youth Opportunities Initiative®. The *Keys* curriculum, which is delivered in partnership from a Foster Success staff member and a peer leader (a young person who has previously participated in the Opportunity Passport® program) includes sessions on:

- Financial Values & Beliefs
- Credit & Loans
- Debt Management
- Income & Taxes
- Budgeting
- Saving & Investing
- Banking
- Identity Protection
- Financial Confidence & Self-Advocacy

Upon completion of the *Keys* curriculum, participants are eligible for up to \$3500 matched savings for approved purchases and investments including:

- First month's rent and deposit or housing down payment
- Education expenses like tuition, fees, books or a computer
- Investments (IRAs, bank CDs, etc.)
- Medical and dental health care
- Purchasing a vehicle and assisting with the cost of insurance and registration
- Microenterprise (small business)
- Credit building or credit repair
- Participant Specific (on a case-by-case review)

Credit Build

Using a *save to build* loan, Credit Build helps young adults who have experienced foster care establish and build credit through guided savings.⁸ While moving through the 12 month program, in addition to making monthly payments toward their loan, young people receive financial coaching to help them set and work toward financial goals and grow their savings and credit scores.



Improving Financial Empowerment Outcomes through Chafee

Ensuring Financial Success for young people aging out of foster care requires both human and financial support to provide young people with the tools and space to gain their financial independence. Achieving goals in savings and credit building, reduces stress and allows individuals to be engaged and self-sufficient members of their communities. To ensure maximum success for older foster youth, states must fully invest in programs like Opportunity Passport® and Credit Build.

Financial Empowerment Stories

Saving for a New Car

Paris participated in Opportunity Passport® the summer after she graduated from high school to learn how to manage finances and save before heading to college.. Already saving for a big purchase, Paris knew Opportunity Passport® was a chance to take her savings goal to the next level and shared that “It taught me about budgeting and putting money [aside.] [The program] had a lot of saving techniques which were helpful because I was saving to get a car.”

And she did. After completing the program, she had saved close to \$7000 which we matched with \$3500 so that she could purchase a new car with cash. *“I really do love my car! And I’m thankful for Opportunity Passport®,” she said. “If I didn’t have this help, I don’t know what I’d be doing.”*

⁸ <https://fostersuccess.org/financial-empowerment/credit-build/>

Saving for a New House

Through Foster Success's Credit Build program, Erin raised her credit score by more than 100 points in a year. Then, equipped with a credit score of 700 — she closed on a house in southern Indiana. Erin was introduced to Foster Success through the Education and Training Voucher (ETV) program when she started college and then participated in the *Opportunity Passport*® and Credit Build programs with the ultimate goal of purchasing her own home. When she began the Credit Build program her credit score was in the 500s and she wasn't financially secure enough to get approved for a mortgage. Erin shared that she “ had no clue why having good credit was so important and I had no clue how to get to that point. I didn't have anyone to teach me or explain things like that to me. It was very difficult to get approved for things.”

She was renting a two-bedroom apartment, working at a fast food restaurant, and living paycheck to paycheck when she began Credit Build. As part of the Credit Build program, participants are connected with a financial coach to support them on their financial wellness journeys. Upon completing the program Erin shared, “definitely take it seriously. Really listen to the advice that's being given to you. If you do have questions, do not be afraid to ask them. No question is a dumb question. Going into it, I didn't realize how the program really worked. I was kind of waiting to see. I didn't realize my score would go up so much in a year. I didn't realize how much it would actually help.”

Conclusion

In 1999, the John H. Chafee Foster Care Program for Successful Transition to Adulthood was life changing legislation for older foster youth across the country. Since then, your peers and colleagues have worked to grow the outcomes of this legislation through acts including the introduction of the Chafee Education and Training Voucher (ETV) program (2001), Fostering Connections to Success and Increasing Adoptions Act (2008) and the Family First Prevention Services Act (2018). As a nonprofit organization solely focused on improving outcomes for older foster youth, Foster Success is committed to partnering with you to reimagine futures for our country's older foster youth.