

## Department of Planning and Budget 2013 Fiscal Impact Statement

1. **Bill Number:** HB 1743

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. **Patron:** Brink, Robert H.

3. **Committee:** Passed Both Houses

4. **Title:** Independent living services; foster children committed to Department of Juvenile Justice

5. **Summary:** The enrolled bill provides that local departments of social services and licensed child-placing agencies may make independent living services available to persons 18 to 21 years of age who are released from commitment to the Department of Juvenile Justice after reaching 18 years of age and who were committed or entrusted to the care of a local board of social services or child-placing agency at the time they were committed to the custody of the Department of Juvenile Justice. In addition, it amends §63.2-100 of the Code of Virginia to include these youth in the definition of independent living services.

6. **Budget Amendment Necessary:** No. The Conference budget provides \$117,559 general fund (\$19,945 to the Department of Social Services and \$97,614 to the Comprehensive Services Act) to support the cost of this legislation.

7. **Fiscal Impact Cannot Be Determined:** The potential general fund impact of this bill could range from \$117,559 to \$568,199 annually depending on one's estimate as to the number of juveniles potentially served. The low end reflects six additional juveniles while the higher amount reflects 29. See Item 8 for details.

8. **Fiscal Implications:** The independent living program provides services and activities for current and former foster children to promote self-sufficiency. While the program covers a wide array of services, not all services require financial assistance from the state or localities. In addition, many of these services are covered by federal funds Virginia receives to support independent living services statewide.

The eligible population for the independent living program currently includes young people ages 14-18 who are likely to remain in foster care and those 18-21 who have aged out of foster care, but continue to need independent living services. The independent living program provides those services that are based on an assessment of life skills, as well as career exploration, job skills, money management, housing, transportation and legal issues. Also, for those children aging out of foster care and those adopted after 16, vouchers of up to \$5,000 per year are available for post-secondary education and training. The purpose of the

program is to assist foster care youth in making the transition to self-sufficiency by helping them receive the education, training and services necessary for them to obtain employment.

The proposed legislation would allow those youth who are between the ages of 18 and 21 at the time of their release from the Department of Juvenile Justice (DJJ) and who were in the custody of a local department of social services immediately prior to their commitment to be eligible to receive independent living services. This change will expand the population of youth who would be eligible for the program and will require additional funds for those services purchased by localities (such as daily living skills training, counseling and vocational training) on behalf of eligible youth.

The initial impact statement estimated, based on a study conducted by the Finance Project, that 32 would meet the criteria outlined in the bill and be newly eligible for services. However, DJJ asserts that the study number contains youth who were in foster care both immediately prior to commitment and at some point prior to commitment. Therefore, the 32 estimate would be over-inclusive since the bill only applies to those youth who were in foster care “immediately prior to commitment.” DJJ further notes the limitation on available data as its information technology systems do not capture custody status prior to commitment. Moreover, the duration of a juvenile’s commitment could be reduced or lengthened with regard to their estimated release date. Therefore, there is no clear method of determining the actual number of juveniles that might be impacted by this bill. Since the number of juveniles is the most important variable in determining the potential cost, this statement now provides a range from what is assumed to be the fewest to the highest number of potentially impacted juveniles.

Juveniles being committed are asked to report their current and previous living situations to DJJ upon admission. The chart below shows the five year data for those reported placements that contains juveniles who could potentially be made eligible for independent living services based on the provisions of this bill. This data reflects residents who were 18, 19, or 20 at the time of release and were not released on their 21st birthday or the day before their 21st birthday – if they were released two days before their 21st birthday, they are included.

Reported Placement	FY2008	FY2009	FY2010	FY2011	FY2012	Average
Foster Home	7.0	2.0	6.0	5.0	8.0	5.6
Group Home	19	10	10	10	11	12
Psychiatric Placement	2.0	2.0	1.0	0	2.0	1.4
Other Family Member	26	22	9	12	14	16.6
Other	26	21	22	20	15	20.8
<b>Total Releases</b>	80	57	48	47	50	56.4

\*Data excluded appealed and canceled/rescinded commitments, as well as juveniles released to adult prison. All juveniles were released at age 18-20 unless they were released on the day prior to their 21<sup>st</sup> birthday.

DJJ maintains that at a minimum it would expect that six juveniles (the five year average of foster home placements rounded up to the nearest individual) would receive services under

this bill. While the data would suggest that the upper limit of the range could average 56 juveniles; reaching this upper limit is not possible as DJJ is certain that some portion of those juveniles who reported a placement other than foster home would not have been in the custody of a local department of social services immediately prior to commitment.

Therefore, for illustrative purposes, it is assumed that the upper limit of costs could be fifty percent of the five year average of the indicated placements or 29 juveniles rounded up. It is assumed that most, if not all, eligible juveniles would opt to receive independent living services and the population of any non-participating eligible youth would be captured in the range of costs illustrated.

There is no way to determine how any increased caseload will be distributed across local departments of social services. Some localities could receive multiple cases while others have none. Since local departments are reimbursed by the state based on the cost of delivering the required services; this statement provides the fiscal estimate at the state level which will be allocated to localities based on actual experience. Based on the average of 16 independent living cases to one local worker the average local staffing cost per case is \$4,466 each year. Therefore, staffing costs for local departments of social services could range from \$26,796 to approximately \$129,514 each year. Each of these costs would be partially offset by local matching and federal dollars. The annual general fund impact could range from \$19,945 to \$96,398.

It is assumed that there would be some purchased services for these juveniles. It is difficult to project with any degree of certainty what the cost of independent living purchased services would be to fully serve this population. Service needs vary greatly from youth to youth, especially across different age groups. Furthermore, the extent of services to be provided to these youth is unknown. The initial fiscal statement did not include all services costs that would be incurred by the Comprehensive Services Act (CSA), as the amounts were not available. This revised fiscal impact statement now includes new data (received January 30, 2013) from the Office of Comprehensive Services (OCS) as to the bill's fiscal impact. OCS reports that the bill increases the population of youth eligible for independent living services, and thus, increases CSA costs. The fiscal impact of this bill was calculated using actual FY 2012 general fund expenditures for youth over the age of 18 receiving foster care services divided by the count of youth receiving such services derived from the DSS OASIS data base. The average estimate includes all stipends and services provided. The per youth annual state cost in FY 2012 for independent living services was \$16,269, which translates into a total cost of \$25,029 when the average 35 percent local match is included. Thus, the potential general fund impact to CSA would be between \$97,614 and \$471,801 (total impact, including local match, would be between \$150,174 and \$725,841).

The total range of potential annual general fund impact on DSS staffing and CSA expenditures is estimated to be between \$117,559 and \$568,199.

**9. Specific Agency or Political Subdivisions Affected:**

Department of Social Services

Comprehensive Services for At-Risk Youth and Families

**10. Technical Amendment Necessary:** No

**11. Other Comments:** While it is conceivable that there may be impacts on other state entities in the absence of the services provided by this bill, the extent and costs of these impacts cannot be estimated. This bill is similar to SB 863.

**Date:** 2/25/13

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