

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB 863

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Favola, Barbara A.

3. Committee: -

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

5. Summary: The substitute 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: Yes. Items 283, 338, and 341

7. Fiscal Impact Estimates: Preliminary

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars*</i>	<i>Fund</i>
2013	-	-
2014	\$188,926 \$8,738	General Federal
2015	\$281,979 \$13,042	General Federal
2016	\$281,979 \$13,042	General Federal
2017	\$281,979 \$13,042	General Federal
2018	\$281,979 \$13,042	General Federal
2019	\$281,979 \$13,042	General Federal

*Does not include local match of \$79,816 in FY 2014 and \$119,128 each year thereafter.

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.

A study on extending foster care services until 21 conducted for Virginia by The Finance Project in FY 2012 estimated that 32 youth would meet the criteria outlined in the bill and be newly eligible for services. However, the Department of Social Services (DSS) cannot definitively determine how many youth of these eligible youth will actually receive independent living services. This is due to the fact that some youth may choose not to enroll in a program and/or some localities do not offer independent living services. Based on the fact that 93 percent of localities provide independent living services and most youth leaving DJJ would likely seek out such support; it is assumed that 90 percent the newly eligible population would receive services. Therefore, this fiscal statement reflects the cost associated with providing 29 youth independent living services.

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, it would cost approximately \$129,514 each year for local departments to serve 29 additional youth. These costs are partially offset by \$20,075 by local matching dollars.

In addition, there would be some purchased services for these youth. 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. Based on FY 2012 data, the average cost per case is \$2,087 per year for purchased services. It is estimated that it would cost a minimum of \$60,523 (29*\$2,087) annually to provide purchased services for these additional youth. The additional costs for purchased services would be incurred by the Comprehensive Services Act (CSA) using 65.2 percent general fund (\$39,461) and 34.8 percent local funds (\$21,062). There may be additional costs of services provided by CSA; however these costs could not be estimated.

The expanded 18 – 21 year old population will also be eligible for the independent living stipend which is funded by CSA. Currently the approved stipend is \$644 per month. Using the estimated projected population of 29 youth, the estimated cost of the independent living stipend is \$18,676 per month (\$644 per month X 29 youth); annualized, the total cost is \$224,112. These costs would be 65.2% general fund (\$146,121) and 34.8% local funds (\$77,991).

The total cost of this bill is estimated to be \$414,149 each year, which includes local match of \$119,128 and \$13,042 of federal funds. The first year cost is discounted to account for the gradual increase in the caseload (67 percent of annual cost) that is assumed in the first year

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 a companion to HB 1743.

Date: 1/28/13

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