

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: SB 967

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

2. Patron: Favola, Barbara A.

3. Committee: Finance

4. Title: Extended Foster Care Services and Support; created

5. Summary: The proposed legislation creates the Extended Foster Care Services and Support Program to provide foster care services and support, including foster care maintenance payments, to qualifying individuals age 18 to 21 years who were formerly in the custody of a local board of social services.

6. Budget Amendment Necessary: No. The introduced budget includes funding to support this legislation.

7. Fiscal Impact Estimates: Final

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	-	-	-
2016	\$4,621,457	-	General
	\$10,102,476	-	Federal
2017	\$4,717,757	-	General
	\$10,161,498	-	Federal
2018	\$4,826,092	-	General
	\$10,227,897	-	Federal
2019	\$4,826,092	-	General
	\$10,227,897	-	Federal
2020	\$4,826,092	-	General
	\$10,227,897	-	Federal
2021	\$4,826,092	-	General
	\$10,227,897	-	Federal

8. Fiscal Implications: The federal Fostering Connections to Success and Increasing Adoptions Act of 2008 (FCA) allowed states to extend to age 21 foster care supports and services for youth turning 18 in foster care. This bill would provide foster care and adoption payments to qualifying individuals up to age 21, per the federal provisions.

Foster Care

Under current policy, the Comprehensive Services Act (CSA) provides foster care assistance at local option to a number of young adults ages 19 to 21. Note there is no federal funding participation at the present time for this age group. In order to project the cost of the proposed legislation it was therefore necessary to compute total costs under current policy and the proposed legislation. Table I below displays the major cost assumptions by program component.

Table I - Cost Assumptions for Foster Care

Services Cost per Case	\$5,977
Maintenance Cost per Case	\$13,566
Local Case Management	\$1,665
Total Cost Per Case	\$21,208

For FY 2016, caseload projections were computed through a survey of local departments conducted by a consultant for the Department of Social Services (DSS). Making foster care to age 21 a statewide policy is projected to result in a 23 percent increase in caseload for this age grouping. Extending foster care to age 21 will result in approximately 75 percent of the projected caseload to be federally reimbursed under the Title IV-E program operated by the Department of Social Services. The resulting caseloads broken down by CSA and DSS under the FCA is summarized in Table 2 below.

Table 2 – Caseload Assumptions for Foster Care

	FY 2016	FY 2017	FY 2018
Current Policy (all CSA)	1,142	1,142	1,142
Total Under FCA	1,400	1,400	1,400
VDSS under FCA	1,050	1,050	1,050
CSA under FCA	350	350	350

The results of utilizing the above assumptions are displayed below in Table 3. Briefly summarized, total costs would increase from \$24.2 million to \$32.0 million for FY 2016. However, these costs for the additional eligible population are offset by the additional federal reimbursement of \$8.8 million. An increase in state funds of \$2.6 million would be needed. A decrease in local matching funds of (\$3.6 million) would be realized. Similar calculations were made for FY 2017 and FY 2018 using the assumptions in Tables 1 and 2.

Table 3 – Net Cost Calculations for Foster Care (FY 2016 only)

	State	Federal	Local	Total
Current Policy	\$15,248,327	-	\$8,971,209	\$24,219,536
Under FCA	\$17,859,555	\$8,870,400	\$5,324,445	\$32,054,400
Net Change	\$ 2,611,228	\$8,870,400	\$(3,646,764)	\$7,834,864

Adoptions

The state and federal adoption programs as currently implemented in Virginia end at age 19 with the exception of a very limited number of children with severe physical and/or mental disabilities. Under the FCA, federal adoption funding would be extended to age 21 for foster care children who were adopted at age 16 or later. Therefore, the cost of the extension was computed by projecting the number of new cases and applying current costs for each component of the adoption program.

For FY 2016, the number of children that would fall into this service category was determined by an analysis of the group of children age 16 – 18 currently in foster care. A baseline of 167 children was identified for FY 2016. A five percent increase in the number of cases was assumed through FY 2018 to reflect the increasing emphasis DSS places on adoptions. It is assumed that the services population will remain constant after FY 2018, due to earlier age adoptions and better preventive efforts and will stabilize the number of children eligible for this adoption option.

Costs per case are based on FY 2013 actual costs. The costs for FY 2016 are summarized below in Table 4. Similar calculations using client projections of 175 and 184 were completed for FY 2017 and FY 2018, respectively.

Table 4 - Extend Adoptions to Age 21 per FCA Cost Calculations (FY 2016)

Services	Cost Per Case	Funding
Services Cost	\$4,850	100% General Fund
Maintenance Cost	\$13,566	50% Federal
Case Management	\$999	50% Federal
Total Cost Per Case	\$19,415	
Total Clients	167	
Total Costs	\$3,242,282	
Funding Sources:		
Title IV-E	\$1,232,067	
State GF	\$2,010,215	
Total Funds	\$3,242,282	

The total estimated cost to implement the provisions of this bill is \$14.7 million in FY 2016, which includes \$4.6 million general fund and \$10.1 million of federal funds. The introduced budget transfers \$5.9 million general fund from CSA to DSS to reflect the associated programmatic shift. This includes foster care maintenance costs, adoption assistance costs, services costs, as well as case management costs. Title IV-E requires that adoption assistance payments be extended to age 21 if foster care payments are extended to age 21. Funding of \$14.7 million, which includes \$4.6 million of general funds (\$10.5 million to DSS and \$5.9 million from CSA) and \$10.1 million of federal funds was included for this program in the Governor's Budget Bill for FY 2016.

Summary			
	State	Federal	Local
CSA:	\$ (5,960,504)		\$ (3,209,502)
VDSS			
VDSS FC Maintenance	\$ 7,122,150	\$ 7,122,150	
VDSS Foster Care CM	\$ 1,449,582	\$ 1,748,250	\$ (437,262)
VDSS Adoptions	\$ 2,010,229	\$ 1,232,076	
VDSS Totals	\$ 10,581,961	\$ 10,102,476	\$ (437,262)
Totals	\$ 4,621,457	\$ 10,102,476	\$ (3,646,764)

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services
Comprehensive Services Act

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/30/15