

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB 813

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                  In Committee              Substitute                  Enrolled

**2. Patron:**        Ward

**3. Committee:** Health, Welfare and Institutions

**4. Title:**        Independent living services; person shall not become ineligible for services upon refusing

**5. Summary:** House Bill (HB) 813 amends § 63.2-905.1 of the Code of Virginia. This bill would mandate local departments of social services to provide independent living services to persons between the ages of 18 and 21 who were in foster care at the time of their 18<sup>th</sup> birthday. In addition, HB 813 adds language that allows a young adult to request independent living services until their 21<sup>st</sup> birthday, even if those services were initially refused by the youth.

**6. Fiscal Impact Estimate:** Preliminary

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars*</i>	<i>Positions</i>	<i>Fund</i>
2009	\$3,417,927	-	General
2010	\$3,568,212	-	General
2011	\$3,568,212	-	General
2012	\$3,568,212	-	General
2013	\$3,568,212	-	General
2014	\$3,568,212	-	General

\*Does not include local matching dollars.

**7. Budget Amendment Necessary:** Yes, Items 238, 339, and 342.

**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 the federal funds Virginia receives to support independent living services statewide.

The eligible population currently includes young people ages 16-18 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, such as personal development skills (self-esteem, communication skills, decision-making, and conflict resolution and anger management), 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 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.

Currently, the provision of independent living services to youth between the ages of 18 to 21 is discretionary and left up to the child placing agency. This bill will mandate the continuation of independent living services to youth between the ages of 18 to 21 who have aged out of foster care and are transitioning to self-sufficiency. This bill will also allow those youth who do not choose to continue receiving independent living services to come back into the program anytime before age 21. The expansion of the population of youth who are mandated to receive independent living services and the youth who choose to come back to the program at a later date will require additional local workers to assist with the increased caseload. It will also require additional funds for those services purchased by localities (such as daily living skills training, counseling and vocational training) on behalf of all eligible youth.

The Department of Social Services estimates 800 youth in the 18 - 21 age group would be eligible to continue receiving independent living services based on the data reported to the independent living program by the local departments of social services. Of the 800 eligible, approximately 50 percent of the youth are currently receiving services. This bill would require the local departments to serve the additional 400 individuals if they choose to cooperate with such services. However, the department estimates that 360 (90 percent) of the 400 would decide to remain in the independent living program due to the stipends paid under the Comprehensive Services Act (CSA). Another 20  $((400-360)*50\%)$  are estimated to return after first refusing services. Based on an average of 16 independent living cases to one local worker, the additional caseload would require 24 new local workers. Using the average salary of a social worker of \$39,284, it would cost approximately \$1,031,567 the first year and \$1,375,423 each year thereafter for 24 additional workers. Funds to cover routine operating costs of telephone, supplies, PC seat costs, and rent are estimated at \$7,570 per worker, while one-time costs of \$6,500 for office furnishings and equipment. These costs will be partially offset by local matching dollars; \$273,849 the first year and \$311,421 each year thereafter.

In addition, there will be some services purchased 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. Based on current year figures, the average cost per case is \$1,166 per year for purchased services. However, there are limited federal monies available to serve this discretionary population and some localities have not had local funds available to supplement the limited federal and state dollars. Therefore, the average cost per case may not be a good predictor of the actual cost once services are mandated. It is estimated that if the department served another 380 youth, it would require a minimum of \$443,080  $(380*\$1,166)$  annually.

The expanded 18 – 21 year old population will also have a fiscal impact on the Office of Comprehensive Services (OCS) because these children would be eligible for the independent living stipend which is funded by the Comprehensive Services Act (CSA). Currently the approved stipend is \$644 per month. Using the estimated projected population of 380 children, the fiscal impact on CSA is \$244,720 per month  $(\$644 \text{ per month} \times 380 \text{ children})$ ;

annualized, the total cost is \$2,936,640. The aggregate state share of this expense is 64 percent general fund (\$1,879,450) and 36 percent local (\$1,057,190).

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

Department of Social Services  
Local departments of social services  
Office of Comprehensive Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/28/2008

**Document:** G:\2008 Fiscal Year\08 Session\FIS\HB813.Doc

cc: Secretary of Health and Human Resources