Department of Planning and Budget
2008 Fiscal Impact Statement

1. **Bill Number:** SB 249

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

2. **Patron:** Howell,

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

4. **Title:** Independent living services and arrangements; require inclusion of plan for children 14 years and older

5. **Summary:** The proposed legislation:
   - Defines the terms "independent living arrangement" and "independent living services," and replaces the term "independent living placement" with the term "independent living arrangement."
   - Mandates that children 14 years and older have a foster care plan that describes in writing their needs and goals in the areas of counseling, education, housing, employment and money management skills development, and that independent living services that will be provided to meet these goals.
   - Requires local departments and licensed child placing agencies to provide independent living services to persons between 18 and 21 years of age who are in the process of transitioning from foster care to self-sufficiency. It further mandates local departments and child placing agencies to provide independent living services to any foster child 14 years of age or older.
   - Requires, for children ages 16 and over, documentation of the services to be provided to assist the child in transitioning to independent living.

6. **Fiscal Impact Estimates:**

Expenditure Impact:

Fiscal Year	*Dollars**	*Positions*	*Fund*
2009	$3,250,048	-	General
2010	$3,394,070	-	General
2011	$3,394,070	-	General
2012	$3,394,070	-	General
2013	$3,394,070	-	General
2014	$3,394,070	-	General

*Does not include local matching dollars.

7. **Budget Amendment Necessary:** Yes, Item 283, 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.

Foster Care Plan for Youth 14 -18 year olds

The proposed legislation lowers the age of children (from 16 to 14 years and older) who are required to have a foster care plan that describes in writing their needs and goals in specific areas as well as an outline of necessary services. The Department of Social Services does not believe this change will have any fiscal or staffing implications. Since the impacted youth, in the 14 – 18 age group are already in foster care and receiving services, additional resources should not be needed to develop the required plan.

The bill also mandates the provision of independent living services to any child who is 14 years old or older. These services are currently provided on a discretionary basis to those who are at least 16. It is assumed that most of the service needs for this population would be provided by local agency staff, so there would be no increased cost for purchasing services on their behalf.

Expansion of Independent Living Services for 18-21 year olds

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. The expansion of the population of youth who are mandated to receive independent living services 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 youth; however, the department estimates that 360 youth (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). Based on an average of 16 independent living cases to one local worker, the additional caseload would require 23 new local workers. Using the average salary of a social worker of $39,284, it would cost approximately $988,586 the first year and $1,318,114 each year thereafter for 23

additional workers (includes salary and benefits). 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 totaling $6,500 are included for office furnishings and equipment. These costs will be partially offset by local matching dollars; $262,439 the first year and $298,445 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. Furthermore, it is unknown how many youth in the 14-18 age group are already receiving independent living services or the extent of services being provided. 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 of this mandated population. It is estimated that if the department served another 360 youth, it would require a minimum of $419,760 (360*$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 360 children, the fiscal impact on the CSA is $231,840 per month ($644 per month x 360 children); annualized, the total cost is $2,782,080. The aggregate state share of this expense is 64 percent general fund ($1,780,531) and 36 percent local fund ($1,001,549).

Documentation of Services Provided
This bill requires documentation of the services to be provided to assist youth ages 16 and up in transitioning to independent living. This requirement is already included in the initial service plan that is completed for every child in foster care. Per federal and state law, for all foster care teens age 16 or over, the foster care plan must include specific independent living services to meet the needs of the youth to assist the youth, family and foster family or care provider in the youth's transition to independence. Section 16.1-281 (B) of the Code of Virginia specifically requires the plan to address the services that will be provided to youth age 16 and over that will help the youth transition form foster care to independent living. For youth with a goal of independent living, the plan is reviewed in court annually at the permanency planning hearing (§16.1-282.1).

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: 1/29/2008
Document: G:\2008 Fiscal Year\08 Session\FIS\SB249.Doc

cc: Secretary of Health and Human Services