

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB 1321

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

2. Patron: Toscano

3. Committee: Health, Welfare and Institutions

4. Title: Foster care; transition plan for children 16 years of age or older

5. Summary: This proposed legislation:

- Defines the terms “independent living arrangement” and “independent living services.”
- Lowers the age at which youth can receive independent living services from 16 to 14.
- Requires local departments of social services and licensed child placing agencies provide independent living services to persons between 18 and 21 years of age who are in the process of transitioning from foster care to an independent living arrangement.
- Requires the local board or licensed child placing agency to recommence the provision of independent living services to a person who opted out of the program provided that the person has not yet reached age 21 and one of the following conditions exist: (a) the person is enrolled in or has applied for enrollment in an educational or vocational program approved by the board or (b) the person has entered into a written agreement with the local board or licensed child placing agency setting forth the terms under which he shall continue to receive independent living services.

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.

Independent Living Services for Ages 14 – 16

The proposed legislation lowers the age of children who may receive independent living services from 16 to 14. The Department of Social Services does not believe this change will have any significant fiscal or staffing implications. Since the impacted youth in the 14 – 16 age group are already in foster care and receiving services, additional resources should not be needed.

Expansion of Independent Living Services

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 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). 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 (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; \$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. 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 380 youth, it would require a minimum of \$443,080 ($380 \times \$1,166$) 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 per month x 380 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: Paragraph C. of section 63.2-905.1 needs to be revised to clarify that the youth can request a discontinuance of services, but must also request a subsequent reinstatement of services. As the bill currently reads, service recommencement is related to the request for service discontinuance.

11. Other Comments: None

Date: 1/28/2008

Document: G:\2008 Fiscal Year\08 Session\FIS\HB1321.Doc

cc: Secretary of Health and Human Services