

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB 415

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

2. Patron: Vogel

3. Committee: Courts of Justice

4. Title: Foster care; local department & child-placing agencies to provide independent living services

5. Summary: This bill requires local departments and child-placing agencies to provide independent living services to any person between 18 and 21 years of age who requests such services and is in the process of transitioning from foster care to self-sufficiency. The bill also extends the time period during which a person between the ages of 18 and 21 may request restoration of independent living services if they previously terminated such services. Local departments are required to provide a person who chooses to leave foster care or terminate independent living services written notice of their right to restore independent living services.

6. Fiscal Impact Estimates: Preliminary

Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|-------------------------|------------------|--------------------|
| 2010 | - | - | - |
| 2011 | \$1,541,858 \$90,559 | - | General Federal |
| 2012 | \$1,504,684 \$84,105 | - | General Federal |
| 2013 | \$1,504,684 \$84,105 | - | General Federal |
| 2014 | \$1,504,684 \$84,105 | - | General Federal |
| 2015 | \$1,504,684 \$84,105 | - | General Federal |
| 2016 | \$1,504,684 \$84,105 | - | General Federal |

7. Budget Amendment Necessary: Yes, Item 328, Item 331 and Item 274

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 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, 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, local departments of social services and licensed child placing agencies are not required to provide independent living services to youth ages 18 - 21. This bill mandates independent living services be provided by local departments and licensed child placing agencies. It also would extend the time the youth can return to the program from 60 days to six months as long as they have not reached the age of 21. The expansion of the population of youth who are mandated to receive independent living services and those who choose to come back to the program within six months 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 eligible youth.

The Department of Social Services estimates 1,005 youth in the 18-21 age group are eligible to receive independent living services based on the data reported to the independent living program by the local departments of social services. Of the 1,005 eligible, approximately 800 youth are currently receiving services. This bill would require the local department of social services to serve the additional 205 individuals if they choose to cooperate with such services. The department estimates that, once the independent living program is mandated, approximately 103 (50 percent) of the 205 would enter the program, and another 51 (50 percent of those remaining) would enter the program within 6 months after first refusing services, for a total of 154 cases.

Based on the average of 16 independent living cases to one local worker, the additional caseload would require 10 new local workers. Using the average salary of a social worker of \$42,190, it would cost approximately \$724,472 the first year and \$672,842 each year thereafter for additional workers (includes salary and benefits). Funds to cover routine operating costs of telephone, supplies, PC costs, and rent are estimated at \$7,895 per worker, while one-time costs totaling \$5,163 are included for office furnishings and equipment. These costs will be partially offset by local matching dollars; \$112,293 the first year and \$104,291 each year thereafter.

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, it is unknown the extent of services being provided to these youth. Based on current year figures, the average cost per case is \$1,679 per year for purchased services. Therefore, the average cost per case may not be a good predictor of the actual cost of this mandated population. It is estimated that it would cost a minimum of

\$258,566 (154*\$1,679) annually to provide purchased services for these additional youth. 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. As such, the additional costs for purchased services would be all general funds.

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 154 children, the fiscal impact on CSA is \$99,176 per month (\$644 per month x 154 children); annualized, the total cost is \$1,190,112. The aggregate share of this expense is 64 percent general fund (\$761,672) and 36 percent local (\$428,440).

The total cost of HB 415 is estimated to be \$2,173,150 in year one and \$2,121,520 each year thereafter. This includes \$1,541,858 (\$1,504,684 year 2) of general funds, \$90,559 (\$84,105 year 2) of federal funds, and \$540,733 (\$532,731 year 2) of local match.

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: 1/25/2010

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