

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB 84

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

2. Patron: Favola, Barbara A.

3. Committee: Rehabilitation and Social Services

4. Title: Foster care; extends option of independent living services to any person on 18th birthday, etc.

5. Summary: The proposed legislation removes language requiring individuals seeking the restoration of independent living services from having to enter into a written agreement (regarding the terms and conditions of services) within 60 days of the discontinuation of such services.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates:

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	-	-	-
2013	\$1,141,684 \$53,187	-	General Fund Federal Funds
2014	\$1,114,838 \$49,493	-	General Fund Federal Funds
2015	\$1,114,838 \$49,493	-	General Fund Federal Funds
2016	\$1,114,838 \$49,493	-	General Fund Federal Funds
2017	\$1,114,838 \$49,493	-	General Fund Federal Funds
2018	\$1,114,838 \$49,493	-	General Fund Federal Funds

*Does not include local match of \$403,385 in FY 2013 and \$397,784 each year thereafter

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 for the independent living program 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, 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 of the program 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. However, they are required to restore independent living services at the request of the youth as long as the request is made within 60 days of leaving the independent living program, the youth enters into a written agreement with the locality and has not reached 21 years of age. This bill removes the 60 day time limit and allows eligible youth to return any time before reaching the age of 21 without entering a written agreement. The expansion of the population of youth who choose to come back to the program before the age of 21 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.

Based on the data reported to the independent living program by the local departments of social services, 1,517 youth in the 18-20 age group received some type of independent living service during the year. Of the 1,517 youth, approximately 1,038 are currently receiving services. It is assumed that this bill would require the local departments of social services to serve the additional 479 individuals if they choose to re-enter the independent living program. The department has no way to determine how many youth may opt back into the program after leaving if this bill is passed. However, assuming 240 ($479 \times .50$), or 50 percent, of the youth will opt back in within the current 60 day time frame, and 50 percent of the remaining youth will opt-in after 60 days, but before reaching their 21st birthday, then an additional 120 ($240 \times .50$) youth would be provided independent living services with passage of this legislation.

Based on the average of 16 independent living cases to one local worker, the additional caseload would equate to seven new local workers. Using the average salary of a social worker, \$45,498, it would cost approximately \$520,416 the first year and \$484,275 each year thereafter for the additional workers (includes salary and benefits). Funds to cover routine operating costs of telephone, supplies, information technology costs, and rent are estimated at \$7,715 per worker, while one-time costs totaling \$5,163 are included for office furnishings and equipment. These costs are partially offset by local matching dollars; \$80,664 the first year and \$75,063 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 \$1,254 per year for

purchased services. It is estimated that it would cost a minimum of \$150,480 ($120 \times \$1,254$) annually to provide purchased services for these additional youth. There are limited federal monies available to serve this discretionary population and some localities do not have 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 120 children, the fiscal impact on CSA is \$77,280 per month ($\$644 \text{ per month} \times 120 \text{ children}$); annualized, the total cost is \$927,360. The aggregate share of this expense is 65.2 percent general fund (\$604,639) and 34.8 percent local (\$322,721).

The total cost of the proposal is estimated to be \$1,598,256 in FY 2013 and \$1,562,115 each year thereafter. This includes local match of \$403,385 in the first year and \$397,784 in subsequent years.

9. Specific Agency or Political Subdivisions Affected:

Department of Social Services
Comprehensive Services Act

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/24/12

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